



Portfolio Review and Recommendations Report for U.S. General Services Administration

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GSA Executive Summary

Executive Summary



The U.S. General Services Administration (GSA) occupies approximately 6.5M RSF nationwide with an annual rent equivalent to \$159M.

GSA's Office of Administrative Services (OAS) began evaluating GSA's space requirements for potential reductions in June 2013 and developed a goal of 150 sf/person by 2017 in September 2013. The CPP process helps facilitate this goal.

The OAS and CPP teams began collecting data from regions regarding GSA occupied space and came up with an initial list of over 200 potential projects from FY14-17.

Because of the large number of opportunities identified, GSA decided to focus the CPP effort on a sub-set of projects, based on GSA's largest occupancies, including the regional headquarter spaces.

Three of the identified opportunities are currently in process (Region 2, Region 3, and Region 6) and incorporate measures to improve GSA's space utilization.

The goals of Freeze the Footprint (FTF) (and now, Reduce the Footprint (RTF) and CPP processes are well aligned, and GSA will select and execute projects in FY16 and beyond from the larger list of opportunities, as funding is available and the business case makes sense.

In FY15, the focus of the GSA's Portfolio Review and Recommendations Report (PR3) was to execute and complete opportunities defined in FY14 PR3. Opportunities completed in FY15 are noted in the Appendix Section of this document. Each of these projects achieved an Office UR at or below 150.



This portfolio assessment has provided GSA with valuable planning information that incorporates modeling workplace transformation for its customer agencies, better utilizing resources, improving building utilization, and improving performance of its personnel and buildings. Implementation of the strategies specifically identified in the CPP document presents the opportunities and challenges listed below:

- •GSA has identified CPP opportunities in every GSA Region, with projects in Regional Headquarter locations providing the most significant square footage reductions and providing an opportunity to model workplace transformation for the federal government.
- •Implementation of CPP opportunities highlighted in this report could potentially achieve a footprint reduction of 964K RSF (14.8% of office portfolio RSF) and realize up to \$17.1M in annual rent savings over the next five years. Other projects in development will result in additional RSF reduction.
- •One risk of implementing this GSA USF reduction strategy is the potential increase in federal vacant space by over 757K RSF at a cost of \$12.75M to GSA. Vacancy risk and mitigation strategies are detailed in this Executive Summary. In many cases, space currently assigned to GSA is underutilized. Implementing workplace transformation within GSA will free up additional federal space and enable it to reduce its office leased portfolio by relocating agencies from leased to owned federal buildings.



 A summary of highlighted CPP opportunities for cost savings and RSF reductions in development with GSA is shown in the table below

	Opportunity	Description	Estimated Annual Savings* (w/o TI)	Agency Upfront Costs** (Break Even Period)	RSF Reduction
1.	Boston, MA Right-size within Owned	Improve building utilization and release space	\$1.6M Rent Savings	\$1.47M (1 yr)	41,741
2.	New York, NY Owned to Leased Relocation	Reduce footprint and move to newly constructed World Trade Center	\$1.7M Rent Savings	\$12.3M (10.5 yrs)	92,467
3.	Philadelphia, PA Leased to Leased Relocation	Reduce footprint and improve space utilization	\$0.9M Rent Savings	\$5M (12.5 yrs)	60,512
4.	Atlanta, GA Right-size within Owned	Improve building utilization and release space	\$4.1M Rent Savings	\$5.5M (2.4 yrs)	190,789
5.	Chicago, IL Right-size within Owned	Improve building utilization and release space	\$2.0M Rent Savings	\$0.7M (0.5 yrs)	70,264
6.	Kansas City, MO Owned to Leased Relocation	Reduce footprint and improve space utilization	\$2.1M Rent Savings	\$13.0M (11.1 yrs)	185,326
7.	Fort Worth, TX Right-size within Owned	Improve building utilization and release space	\$1.5M Rent Savings	\$0.9M (0.8 yrs)	126,875
8.	Lakewood, CO Right-size within Owned	Improve building utilization and release space	\$2.2M Rent Savings	\$1.3M (0.7 yrs)	117,903
9.	San Francisco, CA Right-size within Owned	Improve building utilization and release space	\$710k Rent Savings	\$0.3M (1.4 yrs)	39,748



 A summary of highlighted CPP opportunities for cost savings and RSF reductions in development with GSA is shown in the table below

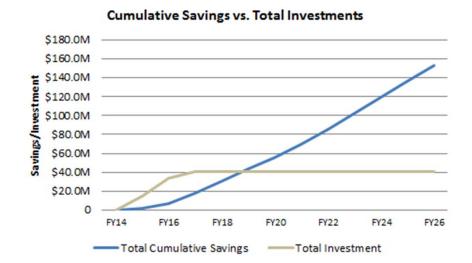
Opportunity	Description	Estimated Annual Savings (w/o TI)*	Agency Upfront Costs** (Break Even Period)	RSF Reduction
11. Los Angeles, CA Right-size within Owned	Improve building utilization and release space	\$0.8M Rent Savings	\$.4M (0.7 yrs)	28,681
12. Ogden, UT Right-size within Owned	Improve building utilization and release space	\$64k \$48k Rent Savings (0.8 yrs)		4,958
13. Airway Heights, WA Leased to Owned Consolidation	Reduce footprint and improve building utilization	\$40k Rent Savings	\$5k (1.7yrs)	1,695
14. Alexandria, VA Leased to Leased Relocation	Reduce footprint and improve space utilization	\$80k Rent Savings	\$2.8k (0 yrs)	3,392
15. Greenbelt, MD Leased to Leased Consolidation	Reduce footprint and improve space utilization	\$52k Rent Savings	\$0 (0 yrs)	1,059
	TOTAL	\$17.1M/yr	\$40.9M (3.5 yrs)	964,352

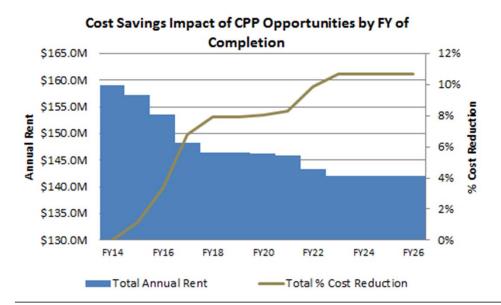
^{*} Rent Savings includes imputed rent except for Region 3

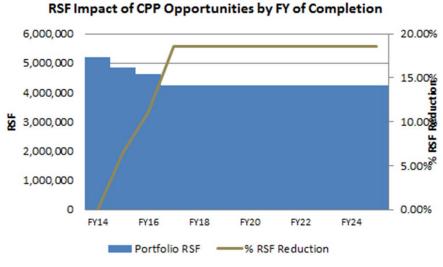
CLIENT PORTFOLIO PLANNING

OPTIMIZING FEDERAL REAL ESTATE

- The projected timeline and CPP opportunity results for GSA are as follows:
 - Required Agency Upfront Costs of \$40.9M with an estimated Break Even* of 3.5 years
 - Over \$17.1M in cumulative lease savings by FY20
 - RSF reduction of 964k RSF or 14.8% of total portfolio







^{*}The Break Even period is defined as the number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs

Vacancy Risk – Backfill and Mitigation Strategies



- Potential impact of GSA reduction strategy may be 569,000 USF increase in federal vacancy
- Table below illustrates GSA backfill and vacancy mitigation strategies
- · As Opportunities identified below are more fully developed, some projects may be modified or eliminated

	Opportunity Location	GSA Space Reduction Description	Estimated Annual Vacancy Cost	USF Vacant from GSA Space Reduction	Time Region Estimates space will remain vacant	Region Comments on Potential Backfill and Vacancy Mitigation Strategy
1.	Region 1 HQ: 10 Causeway St, Boston, MA	Right size in owned	\$1.6M	37k	1 to 2 yrs	Backfill Strategy: Region is investigating a number of backfill options for the space to be vacated which may require restacking of the 1st, 3rd, 4th and 10th floors. Mitigation Strategy: Office rents in Boston continue to rise are currently 20% to 30% higher than FB rental rates. GSA will quantify cost savings from FB occupancy to Agencies with expiring leases.
2.	Region 2 HQ: 26 Federal Plaza, New York, NY	Reduce footprint and move from owned to leased	\$1.7 M	114k	1 to 3 yrs	Backfill Strategy : Floors 16-21 occupied by GSA will be backfilled as follows: Army Corp of Eng (floors 16 and 17), HHS (floors 18 and 19), and FBI (floors 20 and 21)
3.	Region 3 HQ: Philadelphia, PA	Reduce footprint and move from leased to leased	\$187k	9.5k (leased vacant)	> 2 yrs	Backfill Strategy: Census will occupy 18.5k USF which will leave 9.5 USF vacant space to be backfilled. There is also a progressive occupancy so Census designated space will not be sitting on our books as vacant for any period of time. The 9.5k USF will be designated as vacant space once Census space is complete. Mitigation Strategy: GSA is seeking another federal agency for the remaining 6k of space
4.	Region 4 HQ: Atlanta, GA	Right size in owned	\$4.1M	111k	1 yr	Backfill Strategy: DCMA tentative in approx 54,000 rsf and FTC tentative in 21,500 rsf Mitigation Strategy: 1.2M RSF of Agency leases expire FY14-FY16 in the Atlanta metro market with contract rents ranging from \$18 to \$31/RSF
5.	Region 5 HQ: Chicago, IL	Right size in owned	\$2.0M	51k	1 yr	Backfill strategy: Region 5 is working to identify potential federal tenants to occupy vacated GSA space including Department of Education

^{*} Estimated Annual Vacancy Cost is the rental loss due to the space being vacant

CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL REAL ESTATE

Vacancy Risk – Backfill and Mitigation Strategies

	Opportunity Location	GSA Space Reduction Description	Estimated Annual Vacancy Cost	RSF Vacant from GSA Space Reduction	Time Region Estimates space will remain vacant	Region Comments on Potential Backfill Strategy
6.	Region 6 HQ: Kansas City, MO	Reduce footprint and move from owned to leased	N/A	N/A	N/A	Mitigation Strategy: Bannister Complex has been approved for disposal. GSA will no longer have space in buildings.
7.	Region 7 HQ: Ft. Worth, TX	Right size in owned	\$1.0M	100k		Backfill Strategy: Potential tenants include DCMA, FBI and DHS Mitigation Strategy: 1.4M RSF of Agency leases expire in Dallas, Ft. Worth and Arlington markets with an average contract rent of \$23/RSF compared to current market asking rent of \$26.
8.	Region 8 HQ: Denver Federal Center Denver, CO	Right size in owned	\$1.5 M	105k	1 year	Backfill Strategy: 59k available office is being marketed to Dept of Interior, USDA and HHS. Limited demand for 23k vacated warehouse space. 28k repurposed as joint use. Mitigation Strategy: 927k RSF of Agency leases expiring in the Lakewood/Denver market FY14-FY16 with average contract rent of \$30/RSF. GSA may consider retrofitting warehouse space it is vacating to office. DFC portfolio planning group will list Building 41 as priority backfill opportunity.
9.	Region 9 HQ: 50 UNP San Francisco, CA	Right size in owned	\$0.65M	23k	> 2 years	Backfill Strategy: The 5th floor representing 25% vacant RSF will be filled by DOT OIG; 22% by 18F (moving from 1st floor). No agencies identified yet for remaining vacant space. 1st Floor potential tenant is DOEd and options are currently in discussion. Mitigation Strategy: Complete renovation was completed in 1QFY14 making this an excellent location for Agencies with low security needs and no parking requirement.
			\$12.74M	550,500 *		



GSA Portfolio Opportunities

OPPORTUNITY 1 | BACKGROUND

Boston, MA | Right-size within Owned

- The O'Neill FB is a 671k office building constructed in 1986 with an 11 story high rise attached to a five story low rise section
- The building is located in the North Station office submarket where market rents are in the mid \$40 per RSF range
- GSA R1 HQ occupies 76k USF,15% of the building, housing 265 employees
- The largest agencies in the building are DHS at 18%, HUD at 13%, SSA at 8% and IRS at 6% of occupancy
- GSA consolidation into 40k USF will provide 37k USF of federal space for other agencies







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
10 CAUSEWAY ST	Owned	97k	\$3.6M	N/A

OPPORTUNITY 1 | DETAIL

Boston, MA | Right-size within Owned

CLIENT PORTFOLIO PLANNING

Opportunity Description

- R1 HQ project will transform how GSA performs its work through improved space utilization to include hoteling, desk sharing, telework, smaller workstations and repurposing of existing offices.
- Project also includes scope to address paper file digitization and change management services.
- This project involves Boston based offices of PBS, FAS, Regional Administrator, OCFO, OCIO, OHRM, OGC and OMA. It also includes the Greater Boston Federal Executive Board and AFGE local offices.
- Several federal agencies are interested in relocating from leased to owned buildings in Boston including SSA

Potential Benefits

- RSF reduction: 41,741 RSF (44%)
- Annual rent savings (w/o TI): \$1.6M (44%)
- Total investment costs: \$2.25M
 - Total Agency upfront costs: \$1.47M
 - Total GSA/Lessor upfront costs: \$0
 - Agency Break Even: 1 year

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Reduce USF requirement	GSA R1	4Q
in R1 HQ		FY16

Agency Breakeven \$ 20.0 m \$ 15.0 m \$ 5.0 m \$ 0.0 m \$ 4 must Savings

Opportunity Review Status							
1. GSA Central Office	Initiated						
2. GSA Regional Office	Planned						
3. Client Agency	Planned						

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		4Q FY15	\$3.6M	\$3.6M	97,042	76,158	265	287	1,067
Target	Right-size	4Q FY16	\$2.2M	\$2.0M	55,301	39,500	265	149	608
Annual TI P	ayment in Rent =	\$0.2M	Target Cost / (Benefit):	(\$1.6M)	(41,741)	(36.658)	0	(138)	459
# of years TI is I	being amortized =	5 years	Target % Improvement:	(44%)	(43%)	(48%)	-	(48%)	(44%)
Savings Achieved to Date (See Outcomes Report in Appendix)									

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$0.78M		\$0.9M		\$0.2M	\$0.37M	\$1.47M	\$2.25M	1 year
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 1 | PROJECT SUMMARY

Boston, MA | Right-Size within Owned

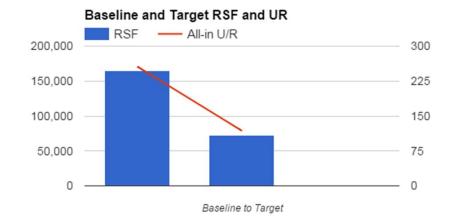


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
10 Causeway St	Right-size	1	Densification of 10 Causeway Street	4Q FY15	4Q FY16	Rhisa Prince	A/E, furniture design, and scanning service procurements i process

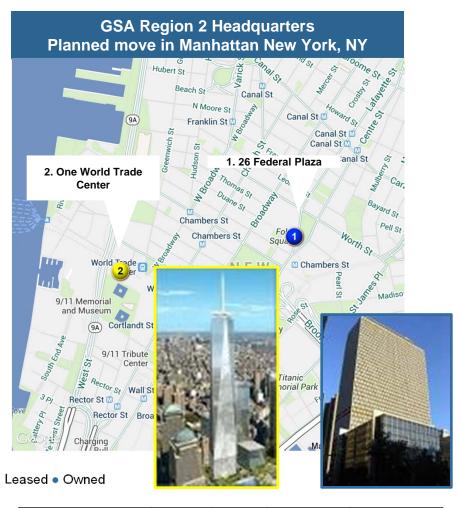
OPPORTUNITY 2 | BACKGROUND

New York, NY | Owned to Leased Relocation

- Currently GSA is located at 26 Federal Plaza FB in lower Manhattan, a 41 story, 2.3M RSF tower—the third largest federal building in the nation, constructed in 1968
- GSA R2 HQ occupies 114k USF, or 6% of the building, housing 445 employees. Other Agencies include FBI, DHS, HHS, US Court of International Trade, Army COE, SSA and HUD
- Office rents in the lower Manhattan submarket are in the high \$50 per RSF range compared to midtown submarket rents in the high \$60 per RSF range where several federal agencies have leases expiring
- Due to its national and historic significance, the federal government committed to lease space in One World Trade Center (WTC) which will be completed in FY 2016; GSA will be among the primary federal tenants in that space, reducing its footprint to 53k USF with an open office design
- This move to leased space will free up 114k USF in 26 Federal Plaza







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
1. 26 Federal Plaza	Owned	165k	\$7.2M	N/A
2. One World Trade Center	Leased	72k	\$5.5M	TBD

OPPORTUNITY 2 | DETAIL

New York, NY | Owned to Leased Relocation



Opportunity Description

- GSA has an opportunity to reduce its RSF footprint by 56% and relocate from federal building to WTC lease by FY 2016
- This move would free up 114K USF in federal building for agencies currently in leased space to less expensive federal space
- Future rent cost at WTC is estimated at \$77.00/RSF, which includes amortization of GSA cost to build out space at WTC
- Backfill agencies considering 26 Federal include the Federal Bureau of Investigation, Department of Education, and Equal Employment Opportunity Commission, all of which are currently located in lease locations in Manhattan, NY

Potential Benefits

- RSF reduction: 92,467 RSF (56%)
- Annual rent savings (w/o TI): \$1.7M (24%)
- Total investment costs: \$27.2M
 - Total Agency upfront costs: \$12.3M
 - Total GSA/Lessor upfront costs: \$14.9M
 - Agency Break Even: 10.5 years

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency

Recommended Next Steps

Action	Lead	Date
GSA Move to WTC	GSA R2	2Q FY16

Agency Breakeven \$ 20.0 m \$ 15.0 m \$ 10.0 m \$ 5.0 m \$ 0.0 m \$ 20.0 m

Opportunity Review Status 1. GSA Central Office Approved 2. GSA Regional Office Approved

3. Client Agency Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		3Q FY15	\$7.2M	\$7.2M	164,553	114,036	445	256	1,810
Target	Relocation	2Q FY16	\$6.0M	\$5.5M	72,086	52,606	445	118	793
Annual TI Pa	ayment in Rent =	\$0.5M	Target Cost / (Benefit):	(\$1.7M)	(92,467)	(61,430)	0	(138)	(1,017)
# of years TI is I	peing amortized =	15 years	Target % Improvement:	(24%)	(56%)	(54%)	0%	(54%)	(56%)
Savings Achieved to Date (See Outcomes Report in Appendix)									

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ІТ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$6.4M	\$8.5M	\$3.6M	\$2.5M	\$0.13M	\$6.1M	\$12.3M	\$27.2M	10.5 years
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 2 | PROJECT SUMMARY





Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
26 Federal Plaza	Exit and relocate to leased	2	Relocate R2 Regional Headquarters at 26 Federal Plaza to 1 World Trade Center	Ongoing	Feb 2016	Robert Collegio	Preparing for Tenant Move to WTC

OPPORTUNITY 3 | BACKGROUND

Philadelphia, PA | Leased to Leased Relocation

- GSA's Mid-Atlantic Region (GSA R3) houses approximately 652 employees in a 133k USF lease which expires on 2/28/2016 in the Strawbridge Building.
- In January 2013, GSA R3 procured a 122k USF replacement lease at 100 Independence Mall (Dow Building) in accordance with its approved prospectus.
- GSA has since further reduced its space to 94k USF and strategically backfilled 18,474k USF with Census. GSA is seeking another federal agency to occupy the remaining 9,487k USF.
- The new lease's open design will lower GSA R3's UR from the current 204 USF/person to 144 USF/person, improve the quality of workspace, and be a model workplace to showcase to other federal client agencies.







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
1. Strawbridge Building	Leased	165k	\$4.0M	2Q FY16
2. Dow Building	Leased	104k	\$2.7M	1Q FY24

Philadelphia, PA | Leased to Leased Relocation

CLIENT PORTFOLIO PLANNING

Opportunity Description

- GSA will right-size and relocate from the Strawbridge Building to a smaller leased location at the Dow Building
- GSA will redesign its Dow Building space layout to achieve greater cost savings
- In addition to a redesign, GSA R3 will seek backfill tenants for the remaining space at the Dow Building

Potential Benefits

- RSF Reduction: 60,512 RSF (37%)
- Annual Rent Savings(w/o TI): (\$.9M) (25.0 %)
- Total Investment costs: \$ 13.9 M
 - Total Agency Upfront costs: \$ 5.0 M
 - Total GSA/Lessor Upfront costs: \$ 0.0 M
 - Agency Break Even: 12.5 years

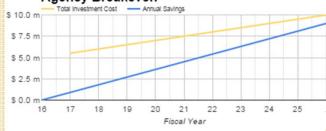
Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Plan to accommodate all GSA FTE in new lease	GSA R3	FY15
Work with design team for mobile work pilot	GSA CO and R3	FY 15
Reduce USF requirement in R3	GSA R3	FY 16

Agency Breakeven



Opportunity Review Status

1. GSA Central Office	Initiated
2. GSA Regional Office	Initiated
3. Client Agency	Initiated

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$4.0M	\$3.6M	164,809	133,128	652	204	1,813
Target	Relocation	4Q FY16	\$3.4M	\$2.7M	104,297	94,039	652	144	1,147
Annual TI P	Annual TI Payment in Rent =		Target Cost / (Benefit):	(\$0.9M)	(60,512)	(39,089)	0	(60)	(666)
# of years TI is	being amortized =	15 years	Target % Improvement:	(25%)	(37%)	(29%)	-	(29%)	(36%)
Savings Achieved to Date (See Outcomes Report in Appendix)									

	Build Out (TI)	Buildout Shell	Furniture	ΙΤ	Move	Other (Redesign Cost)	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$8.9M	\$0	\$2.9M	\$1.2M	\$0.3M	\$0.6M	\$5M	\$13.9M	12.5 yrs
Funding Source(s)	Agency, GSA								

IMPLEMENTATION OPPORTUNITY 3 | PROJECT SUMMARY





Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Strawbridge Building	Relocate	3	Relocate from current lease to new lease	FY16	FY16		
Dow Building	Redesign	3	Redesign new lease space plan	FY14	FY14		
Dow Building	Backfill	3	Backfill extra 28k USF of space.	FY14	FY16		

OPPORTUNITY 4 | BACKGROUND

Atlanta, GA | Right-size within Owned

- The 10 story Art Deco building with 288K RSF was originally constructed in 1933 for the US Postal Service and is now known as the Martin Luther King Jr federal building (MLK FB)
- In 2011, GSA Region 4 Headquarters relocated from Peachtree Office FB to 227k USF at the MLK FB
- GSA is currently the sole occupant with 561 employees and a utilization rate of 405 USF/person
- GSA plans to consolidate its PBS, FAS, and Shared Services
 Division in the MLK building to 106k USF and provide 111K USF for other federal agency occupancy.
- GSA headcount will increase from 561 to 790 while USF will be reduced by 49% which is a 67% utilization rate improvement
- In FY15 GSA FAS Fleet Division has consolidated approximately 9,662 usf (11,108 RSF) from 2 lease locations in the the Atlanta area into MLK
- In FY17 GSA FAS will consolidate approximately 42,804 usf (49,676 rsf) from the Peachtree Summit Federal building into the MLK Building





300,000	RSF	-III- All-in U/R	500
000,000		_	
225,000			375
150,000	_		250
75,000			125
0			0

Baseline to Target

Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
77 Forsyth Street	Owned	288k	\$6.2M	N/A

Baseline and Target RSF and UR

OPPORTUNITY 4 | DETAIL

Atlanta, GA | Right-size within Owned

CLIENT PORTFOLIO PLANNING

Opportunity Description

- Planned space reduction in R4 HQ by 111K USF will improve overall utilization by 66%, from 405 USF/person to 136
- The scope is a below-prospectus GSA re-stacking targeted with projected completion in 1Q FY17.
- GSA will occupy four floors (T, G, 1, and possibly 2). Floors 3, 4, 5, 6 and 7 will be leased to other federal agencies.
- HUD is the potential backfill agency for 106k USF.

Potential Benefits

- RSF reduction: 190,789 RSF (66%)
- Annual rent savings(w/o TI): \$4.1M (66%)
- Total investment costs: \$13.9M
 - Total Agency upfront costs: \$5.5M
 - Total GSA/Lessor upfront costs: \$8.4M
 - Agency Break Even: 2.4 years

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Plan to reduce USF at R4 HQ	GSA R4	FY15
Work with design team for mobile work pilot	CO and R4	FY 16
Reduce USF requirement in R4 HQ	GSA R4	FY17

Agency Breakeven \$ 50.0 m \$ 37.5 m \$ 25.0 m \$ 12.5 m \$ 0.0 m 17 18 19 20 21 22 23 24 25 26 2: Fiscal Year

Opportunity Review Status								
1. GSA Central Office Initiated								
2. GSA Regional Office	Planned							
3. Client Agency	Planned							

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		3Q FY16	\$6.2M	\$6.2M	287,685	227,223	561	405	3,165
Target	Right-size	1Q FY17	\$3.9M	\$2.1M	138,084	106,000	790	124	1,519
Annual TI P	ayment in Rent =	\$1.8M	Target Cost / (Benefit):	(\$4.1M)	(149.601)	(121,223)	294	(269)	(2,099)
# of years TI is I	being amortized =	5 years	Target % Improvement:	(66%)	(52%)	(53%)	52%	(67%)	(66%)
Savings Achieved	Savings Achieved to Date (See Outcomes Report in Appendix)								

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$8.4M		\$4.3M		\$0.3M	\$0.9M	\$5.5M	\$13.9M	2.4 years
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 4 | PROJECT SUMMARY





Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
77 Forsyth St	Right-size	4	GSA R4 to consolidate PBS, FAS, and Shared Services operations into the MLK Federal Building, Atlanta GA.	3Q FY16	1Q FY17	Michelle Price	Planning Phase

OPPORTUNITY 5 | BACKGROUND

Chicago, IL | Right-size within Owned

- The Kluczynski Federal Building is a 42 story Class B high rise constructed in in 1973, comprising more than 1.1M RSF
- GSA occupies 134k USF, 17% of the building, with 593 employees and contractors in its Region 5 Headquarters
- The largest other agencies located in Kluczynski FB are IRS at 28%, Labor at 20%, Justice at 10%, and USPS at 5%
- GSA planned consolidation into 83k USF would provide 51K USF of federal space for other agencies to relocate from leased to owned locations
- This consolidation will align with GSA's targeted USF/person of 137







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
230 S Dearborn Street	Owned	185k	\$5.1M	N/A

OPPORTUNITY 5 | DETAIL

Chicago, IL | Right-size within Owned

CLIENT PORTFOLIO

Opportunity Description

- Right-size within the Kluczynski Federal Building and provide available federal building office space to other agencies in the Chicago metro area
- This consolidation would improve R5 HQ utilization from 226 to 144 USF/person
- Current vacancy in Kluczynski FB exceeds12%; including vacant area basement (25k USF)
- Region 5 is working to identify potential federal tenants to occupy vacated GSA space including Department of Education

Potential Benefits

- RSF reduction: 70,264 RSF (38%)
- Annual rent savings(w/o TI):\$2.0M (39%)
- Total investment costs: \$3.8M

- Total Agency upfront costs: \$0.7M

- Total GSA/Lessor upfront costs: \$3.1M

- Agency Break Even: 0.5 years



Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Work with design team for mobile work pilot	CO and R5	3Q FY 15
Reduce USF requirement in R5 HQ	GSA R5	3Q FY17

\$ 20.0 m	- Total Inves									
\$ 15.0 m		-						_		
\$ 10.0 m		-			_					
\$ 5.0 m										
\$ 0.0 m			20	21	22	23	24	25	26	2

Opportunity Review Status								
1. GSA Central Office	Not Started							
2. GSA Regional Office	Initiated							
3. Client Agency	Not Started							

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		4Q FY14	\$5.1M	\$5.1M	184,618	133,781	593	226	2,031
Target	Right-size	3Q FY17	\$3.7M	\$3.1M	114,354	82,865	577	144	1,258
Annual TI P	Annual TI Payment in Rent =		Target Cost / (Benefit):	(\$2.0M)	(70,264)	(50,916)	(16)	(82)	(773)
# of years TI is I	oeing amortized =	5 years	Target % Improvement:	(39%)	(38%)	(38%)	(2.7%)	(36%)	(38%)
Savings Achieved	Savings Achieved to Date (See Outcomes Report in Appendix)								

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$2.8M	\$0.3M	\$0.3M		\$0.3M	\$0.1M	\$0.7M	\$3.8M	0.5 years
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 5 | PROJECT SUMMARY

Chicago, IL | Right-size within Owned

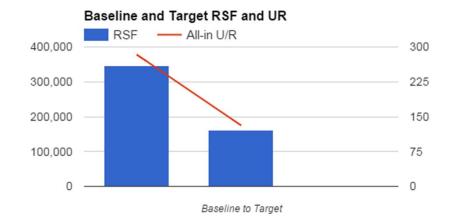


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Kluczynski Federal Building	Right-size	5	As part of the Model Workplace initiative, GSA in JCK will be right sizing their office space. We will be following OAS Space Policy, implementing increased mobility in the work space with a variety of collaborative and focused work areas	4Q FY14	3Q FY17	Kristin Beard	Concept Design Stage

OPPORTUNITY 6 | BACKGROUND

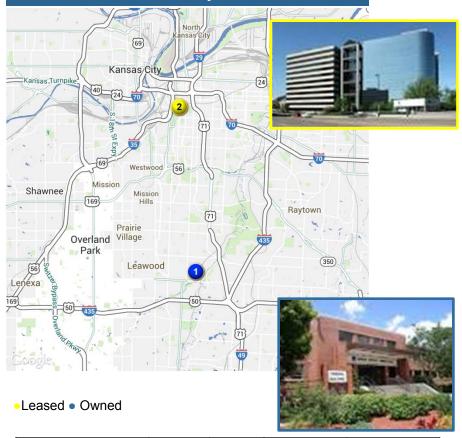
Kansas City, MO | Owned to Leased Relocation

- R6 GSA HQ is currently located in 264k USF the Bannister Federal Complex which was originally constructed in 1942 for Pratt & Whitney as an engine manufacturing plant to support WWII efforts
- GSA controlled portion of the Bannister Federal Complex will be vacant in 2015 and transferred to DOE NNSA for disposition per congressional authorization
- Relocating to the leased building at 2300 Main provides GSA the opportunity to implement open space office design and showcase efficient space use to other agencies





GSA R6 Headquarters Planned Move Kansas City, MO



Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
1. Bannister FB	Owned	347k	\$3.9M	N/A
2. 2300 Main Street	Leased	162k	\$1.8M	FY34

Kansas City, MO | Owned to Leased Relocation

CLIENT PORTFOLIO PLANNING

Opportunity Description

- GSA HQ is currently located in the functionally obsolete Banister Federal Complex
- GSA will transfer its 40% interest in the Bannister Federal Complex to DOE NNSA for disposition per congressional authorization
- Region 6 HQ space utilization will improve from 284 in Bannister to 131 in new leased space
- New lease term: 20 years with 7 years firm
- New lease USF: 124,172
- OIG will occupy 7,000 USF

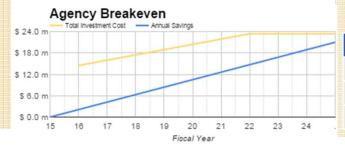
Potential Benefits

- RSF reduction: 185,326 RSF (53%)
- Annual rent savings(w/o TI): \$2.1M (53%)
- Total investment costs: \$22.4M
 - Total Agency upfront costs: \$13.0M
 - Total GSA/Lessor upfront costs: \$9.4M
 - Agency break even: 11.1 yrs

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med Recommended Next Steps

Action	Lead	Date
Project Completed	GSA	2Q FY15



Opportunity Review Status								
1. GSA Central Office Approved								
2. GSA Regional Office	Approved							
3. Client Agency	Approved							

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		2QFY15	\$3.9M	\$3.9M	347,017	264,653	933	284	3,817
Target	Relocation	4QFY15	\$3.1M	\$1.8M	161,691	124,172	947	131	1,778
Annual TI I	Payment in Rent =	\$1.5M	Target Cost / (Benefit):	(\$2.1M)	(185,326)	(140,481)	14	(153)	(2,039)
# of years TI is	being amortized =	7 years	Target % Improvement:	(53%)	(53%)	(53%)	1.5%	(53%)	(53%)
Savings Achieved to Date (See Outcomes Report in Appendix)			\$1.2M (57%)	172,978 (93%)	129,462 (92%)	39 (279%)	145 (95%)	1,903 (93%)	

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$9.4M		\$7.5M	\$2.3M	\$2.3M	\$0.9M	\$13.0M	\$22.4M	11.1 Years
Funding Source(s)	Lessor								

IMPLEMENTATION OPPORTUNITY 6 | PROJECT SUMMARY





Project Na	me	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Move out of Bannister Fed Complex	eral	Exit and Relocate to Leased	6	Dispose of Bannister Federal Complex and move to new leased space	FY13	4QFY15	Denise Ryerkerk	Project Completed

OPPORTUNITY 7 | BACKGROUND

Fort Worth, TX | Right-size in Owned

- The 15-story, 670k RSF Lanham Federal office was constructed in 1966
- GSA currently occupies 226k USF, 44% of Lanham Federal Building and houses 961 employees in this Region 7 GSA Headquarters location
- Other agencies located in Lanham FB include Corps of Engineers (29%), SSA (7%) and National Weather Service at (4%)
- Fort Worth office vacancy is near 12% with asking rents in the low \$20/RSF range
- GSA proposed consolidation into 126k USF will free up 101k USF for other federal tenants and would improve utilization from 236 to 131 USF/person







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
819 Taylor Street	Owned	287k	\$5.3M	N/A

OPPORTUNITY 7 | DETAIL

Fort Worth, TX | Right-size in Owned

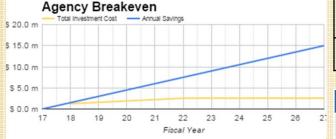
CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL REAL ESTATE

Opportunity Description

- GSA has the opportunity to consolidate within the Lanham FB and provide available federal building office space to other agencies in Fort Worth metro area
- This consolidation would improved R7 HQ utilization to 150 from 236 USF/person
- Potential backfill tenants include DCMA, FBI, DHS

Potential Benefits

- RSF reduction: 127,875 RSF (44%)
- Annual rent savings(w/o TI): \$1.5M (28%)
- Total investment costs: \$2.5M
 - Total Agency upfront costs: \$0.9M
 - Total GSA/Lessor upfront costs: \$1.6M
 - Agency Break Even: 0.8 years



Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Receive Funding for Design	GSA	FY16
Plan to reduce USF at R7 HQ	GSA R7	FY17
Work with design team for mobile work pilot	GSA CO and R7	FY 17
Reduce USF requirement in R87HQ	GSA R7	FY 17

Opportunity Review Status

1. GSA Central Office

Initiated

2. GSA Regional Office

Initiated

3. Client Agency

Initiated

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY17	\$5.3M	\$5.3M	286,875	226,538	961	236	3,155
Target	Right-size	4Q FY17	\$4.1M	\$3.8M	160,000	126,000	961	131	1,760
Annual TI P	ayment in Rent =	\$0.3M	Target Cost / (Benefit):	(\$1.5M)	(126,875)	(100,538)	-	(105)	(1,395)
# of years TI is I	being amortized =	5 years	Target % Improvement:	(28%)	(44%)	(44%)	-	(44%)	(44%)
Savings Achieved	Savings Achieved to Date (See Outcomes Report in Appendix)								

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$1.5M	\$0.1M	\$0.8M		\$0.1M	\$44k	\$0.9M	\$2.5M	0.8 years
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 7 | PROJECT SUMMARY



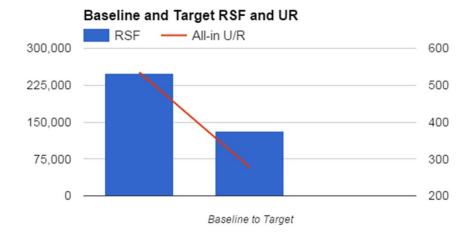


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
GSA Fort Worth ROB Right-size	Right-size	7	Consolidation within the Lanham FB	1Q FY17	4Q FY17	Gregg Mendoza- Fresquez	R7 has no funding at this time. Funding for design has been pushed to FY16. Currently there is a fire and life safety requirement on the floor load and capacity that we are addressing. GSA/FAS has relocated from the 6th floor and consolidated into existing GSA/FAS space on the 7th and GSA/PBS 11th floor.

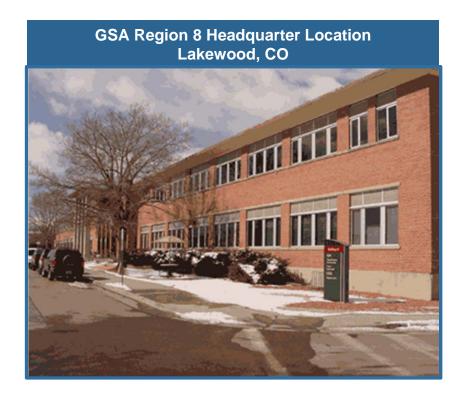
OPPORTUNITY 8 | BACKGROUND

Lakewood, CO | Right-size in Owned

- The Denver Federal Center (DFC) was originally constructed in 1941 as a WWII munitions plant; DFC has over 4 million RSF in 44 active buildings.
 - Building 41 has 400k USF primarily classified as warehouse, but includes over 120k USF of office space.
- Other departments located on the DFC include DOI, VA, HHS, DHS, USDA, EPA, DOD, State, DOL, and DOE.
- GSA occupies 205k USF primarily classified as warehouse, housing 390 employees with a utilization rate of 525 USF/person.
- GSA planned reductions in DFC are: 59k USF of office, 23k USF of warehouse; 28k USF of space will repurposed as joint use.







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
W 6 th Ave and Kipling FB	Owned	250k	\$3.6M	N/A

OPPORTUNITY 8 | DETAIL

Lakewood, CO | Right-size in Owned

Opportunity Description

- GSA planned reductions in DFC are: 59k
 USF of office, 23k USF of warehouse; 28k
 USF of space will repurposed as joint use
- This consolidation would improve R8 HQ utilization to 276 office USF/person from 525 USF/person, including office and warehouse
- R8 has approximately 40k of additional warehouse/storage space which is necessary for GSA enterprise uses & DFC maintenance supplies /equipment (included in calculations).
- Excluding warehouse USF from footprint results in 135 USF/person
- Current vacancy in Building 41 is 16%
- There is especially weak demand for the available warehouse in the building
- 35,000 available office is being marketed to Dept of Interior, USDA and HHS

Potential Benefits

- RSF reduction: 117,903 RSF (47%)
- Annual rent savings(w/oTl): \$2.2M (61%)
- Total investment costs: \$2.4M
 - Total Agency upfront costs: \$1.3M
 - Total GSA/Lessor upfront costs: \$ 1.1M
 - Agency break even: **0.7 years**

Agency Breakeven 5 24.0 m 5 18.0 m 5 12.0 m 5 0.0 m 15 18 17 18 19 20 21 22 23 24 . Fiscal Year



Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Project Complete	GSA R8	3Q FY15

Opportunity Review Status							
1. GSA Central Office	Approved						
2. GSA Regional Office	Approved						
3. Client Agency	Approved						

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY15	\$3.6M	\$3.6M	249,934	204,864	383	535	2,749
Target	Right-size	2Q FY15	\$1.6M	\$1.4M	132,031	107,974	390	277	1,452
Annual TI P	ayment in Rent =	\$0.2M	Target Cost / (Benefit):	(\$2.2M)	(117,903)	(96,890)	7	(258)	(1,297)
# of years TI is	being amortized =	5 years	Target % Improvement:	(61%)	(47%)	(47%)	2%	(48%)	(47%)
Savings Achieved	\$2M (90%)	128,558 (109%)	105,376 (108%)	58	239 (96%)	1500 (115%)			

		Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
	Total	\$1.1M		\$0.8M		\$0.3M	\$0.2M	\$1.3M	\$2.4M	0.7 years
-	Funding Source(s)									34

IMPLEMENTATION OPPORTUNITY 8 | PROJECT SUMMARY





Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
W 6th Ave and Kipling FB	Right-size in Place	8	Reduce office and warehouse space in Region 8's headquarters	1QFY15	3QFY15	Andrew Myers	Project Complete

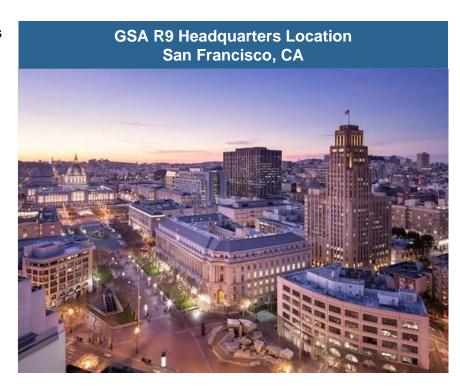
OPPORTUNITY 9 | BACKGROUND

San Francisco, CA | Right-size within Owned

- (50 UNP) was originally constructed in 1933 as part of the sevenbuilding Civic Center Complex. The historically significant Beaux Arts style building is D shaped with a center courtyard area allowing natural sunlight in every area, ideal for an open office design
- In 1986, the building sustained earthquake damage and was unoccupied until the ARRA investment of \$121M was completed in 2013, which allowed for a complete renovation, enabling GSA to relocate its 535 employees from 450 Golden Gate FB to 50 UNP.
- GSA originally planned to occupy all 162K USF of the building, however prior to moving in, the space was redesigned, reducing GSAs space to 139K USF and leaving the 5th floor and part of the basement vacant.
- Now a further consolidation onto floors 2-4 will provide nearly 46K USF on the Basement, 1st & 5th floors to backfill with other federal agencies.







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
50 United Nations Plaza	Owned	243k	\$8M	N/A

OPPORTUNITY 9 | DETAIL

San Francisco, CA | Right-size within Owned

CLIENT PORTFOLIO PLANNING

Lead

Date

Opportunity Description

- Prior to moving into the building, GSA downsized from it's plan to occupy all 162K USF down to 139K USF leaving the 5th floor and some basement space vacant. This reduced the all-in UR from 303 to 259 USF/person and the office UR from 208 to 148 USF/person.
- This opportunity will further consolidate and vacate an additional 23K USF on the 1st floor which can then be backfilled by other Federal Agencies.
- This 2nd consolidation would reduce GSA's current all-in UR from 259 to 202 USF/person.

Potential Benefits

- RSF Reduction: 39,748 RSF (16%)
- Annual Rent Savings(w/o TI): \$710,000 (10%))
- Total Investment costs: \$612k

- Total Agency Upfront costs: \$359k

- Total GSA/Lessor Upfront costs: \$253k

- Agency Break Even: 1.7 years

Plan to reduce USF at R9 HQ FY15 Work with design team for mobile work pilot R9 FY15

Agency Priority: #x out of xx

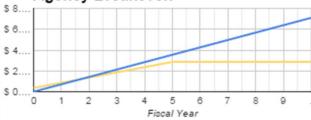
Action

Ability to Fund (FYXX): GSA-Med

Recommended Next Steps

Reduce USF GSA R9 FY16 requirement in R9 HQ

Agency Breakeven Reduirequire



Opportunity Review Status

GSA Central Office Started
 GSA Regional Office Started

3. Client Agency Started

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1QFY15	\$8M	\$7.42M	243,147	138,941	535	259	2,675
Target	Right-size	2QFY16	\$7.42M	\$6.71M	203,399	116,228	573	202	2237
Annual TI P	ayment in Rent =	\$0.5M	Target Cost / (Benefit):	(\$710k)	(39,748)	(22,713)	38	(57)	(437)
# of years TI is I	being amortized =	5 years	Target % Improvement:	(10%)	(16%)	(16%)	7%	(22%)	(16%)
Savings Achieved to Date (See Outcomes Report in Appendix)									

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$253k	\$0	\$206k	\$0M	\$153k	\$0	\$359k	\$612k	1.7 yrs
Funding Source(s)	BA54		RWA	RWA	BA60				

IMPLEMENTATION OPPORTUNITY 9 | PROJECT SUMMARY





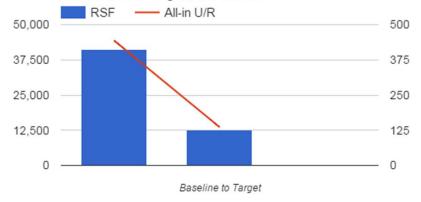
Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
SF Rightsize @ 50 UNP	Rightsize	9	further consolidate onto floors 2-4	1Q FY15	2Q FY16	Stacy Fong	Funding for the project is being processed. Awards for design-build and construction management services are expected to be issued by end of FY15

OPPORTUNITY 11 | BACKGROUND

Los Angeles | Right-size in Owned

- GSA occupies space in a federal building in Los Angeles and has determined it can reduce its footprint
- Providing additional space in the building allows other federal tenants to relocate from leased into GSA owned building
- This consolidation will free up 21k USF of space for other federal tenants to occupy

Baseline and Target RSF and UR





300 North Los Angeles Federal Building Los Angeles, CA



Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
LA Federal Building	Owned	41k	\$1.2M	

OPPORTUNITY 11 | DETAIL

Los Angeles | Right-size in Owned

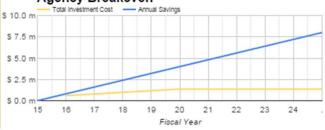
Opportunity Description:

- · Project includes the reuse of existing furniture and will reduce & consolidate existing staff in place
- There is regional funding for construction, design and move costs that are already obligated. The current furniture costs include \$26,000 for larger monitors
- · Consolidation of PBS-LASC/READ/LA Field Office. D&C and FAS into a single space
- Labor Relations has been involved in PDI

Potential Benefits

- RSF reduction: 28,681 RSF (69%)
- Annual rent savings(w/oTI): \$8M (67%)
- Total investment costs: \$1.4 M
 - Total Agency Upfront costs: \$0.4M
 - Total GSA/Lessor Upfront costs: \$1.0M
 - Agency Break Even: 0.7 years

Agency Breakeven



CLIENT PORTFOLIO

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency

Recommended Next Steps

Action	Lead	Date
Project Completed		

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		4QFY14	\$1.2M	\$1.2M	41,319	29,751	67	444	455
Target	Right-size	4QFY15	\$.6M	\$0.4M	12,638	9,100	67	136	139
Annu	al TI Payment in Rent =	\$0.2M	Target Cost / (Benefit):	(\$0.8M)	(28,681)	(20,651)		(308)	(315)
# of years	TI is being amortized =	5 years	Target % Improvement:	(67%)	(69%)	(69%)	-	(69%)	(69%)
Savings Achie	eved to Date (See Outcomes	Report in Appendix)		\$.6M (75%)	28,514 (99%)	20,359 (99%)	2	308 (100%)	313 (99%)

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$0.9M	\$0.1M	\$0.3M		\$0.1M		\$0.4M	\$1.4M	0.7 years
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 11 | PROJECT SUMMARY

Los Angeles | Right-size in Owned

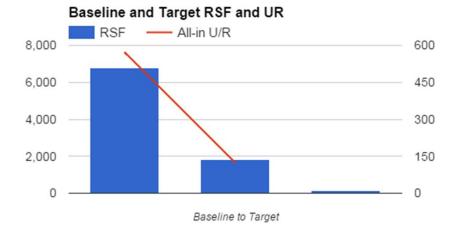


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
400 N LA	Rightsize	3	Improve utilization of space in 400 N LA	FY14	FY15	Brian Stilley	Project Completed

OPPORTUNITY 12 | BACKGROUND

Ogden, UT | Right-size within Owned

- PBS Building manager and FAS Fleet office occupy space in the James Hanson Federal building located in Ogden, UT
- In order to demonstrate efficient space utilization, the PBS building manager will redesign and reduce its space
- The FAS Fleet office also occupies space in the James Hanson Federal building and will move and reduce its space
- These 2 moves will free up 3.3k USF of space for other federal tenants to occupy







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
324 25 th St	Owned	6,784	\$0.1M	N/A

OPPORTUNITY 12 | DETAIL

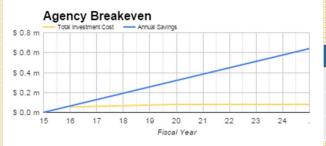
Ogden, UT | Right-size within Owned

Opportunity Description

- · Reduce and move PBS building manager out of existing suite and relocate to another space in the FB.
- Move and reduce FAS Fleet field office.

Potential Benefits

- RSF reduction: 4,958 RSF (73%)
- Annual rent savings(w/oTI): \$64k (64%)
- Total investment costs: \$78k
 - Total Agency upfront costs: \$48k
 - Total GSA/Lessor upfront costs: \$30k
 - Agency break even: **0.8 years**



CLIENT PORTFOLIO

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Project Completed	GSA R8	2Q
		FY15

Opportunity Review Status						
pproved						
pproved						
pproved						

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$101.6k	\$101.6k	6,784	4,581	8	573	75
Target	Right-size	2Q FY15	\$44k	\$37.6k	1,826	1,234	10	123	20
Annual II Payment in Rent = %6k		Target Cost / (Benefit):	(\$64k)	(4,958)	(3,347)	2	(450)	(55)	
# of years TI is being amortized =		5 years	Target % Improvement:	(63%)	(73%)	(73%)	25%	(79%)	(73%)
Savings Achieved	\$84.4k (132%)	5,011 (101%)	3,346 (100%)	2 (100%)	449 (100%)	55 (100%)			

OPPORTUNITY INVESTMENT DATA

		Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
	Total	\$30k		\$40k		\$3k	\$5k	\$48k	\$78k	0.8 years
-	Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 12 | PROJECT SUMMARY

Ogden, UT | Right-size within Owned

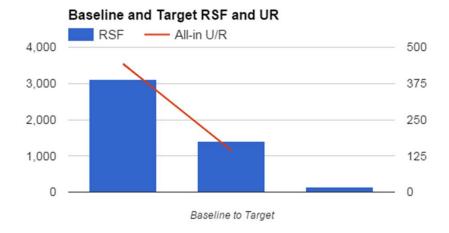


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Right-size 324 25 th St	Right-size	8	Reduce existing footprint at Ogden, UT Field Office	FY14	FY15	Kieran Hussey	Completed

OPPORTUNITY 13 | BACKGROUND

Airway Heights, WA | Leased to Owned

- GSA leases space in Airway Heights, WA which it has determined is not mission critical to the Region
- Therefore it plans to exit the lease and consolidate into 920 Riverside Avenue, the Foley Federal Building and U.S. Courthouse







LeasedOwned

Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
1. 11011 W 21 st St	Leased	3,100	\$63k	N/A
2. 920 W Riverside Ave (Foley Courthouse)	Owned	1,045	\$23k	

OPPORTUNITY 13 | DETAIL

Airway Heights, WA | Leased to Owned

- Exiting lease and consolidating into 920 Riverside Avenue, the Foley Federal Building and U.S. Courthouse
- Relocating PMO from Airway Heights lease and adding 6 personal to the service center

Potential Benefits

- RSF reduction: 1,695 RSF (55%)
- Annual rent savings(w/oTI): \$40k (63%)
- Total investment costs: \$21k
 - Total Agency upfront costs: \$5k
 - Total GSA/Lessor upfront costs: \$16k
 - Agency break even: 1.7 Years

Agency Breakeven \$ 0.4 m \$ 0.3 m \$ 0.2 m \$ 0.1 m \$ 0.1 m \$ 0.0 m 15 16 17 18 19 20 21 22 23 24 . Fiscal Year

CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL REAL ESTATE

Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Project Completed	GSA	2/1/15

Opportunity Review Status								
1. GSA Central Office	Approved							
2. GSA Regional Office	Approved							
3. Client Agency	Approved							

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline	Reduce USF	1Q FY14	\$63k	\$63k	3,100	3,100	7	443	34
Target		2Q FY15	\$60k	\$23k	1,405	1,004	7	143	15
Annual II Payment in Rent = \$378			Target Cost / (Benefit):	(\$40k)	(1,695)	(2,096)	0	(300)	(19)
# of years TI is being amortized =		5 years	Target % Improvement:	(63%)	(55%)	(68%)	0%	(68%)	(55%)
Savings Achieved	\$40k (100%)	1,695 (100%)	2,096 (100%)	0 (100%)	300 (100%)	19 (100%)			

OPPORTUNITY INVESTMENT DATA

		Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
	Total	\$16k				\$5k		\$5k	\$21k	1.7 Years
-	Funding Source(s)									4.0

IMPLEMENTATION OPPORTUNITY 13 | PROJECT SUMMARY



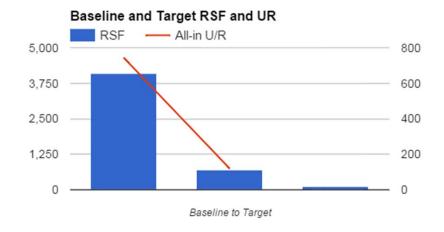


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Relocate 11011 W 21st Ave	Leased to Owned	10	Relocate Lease into Foley FB and USCH at reduced footprint and rent	11/30/14	2/1/15	Mike Ladd / Gretchen Prahl	Completed Project. Lease Terminated in Feb 2015

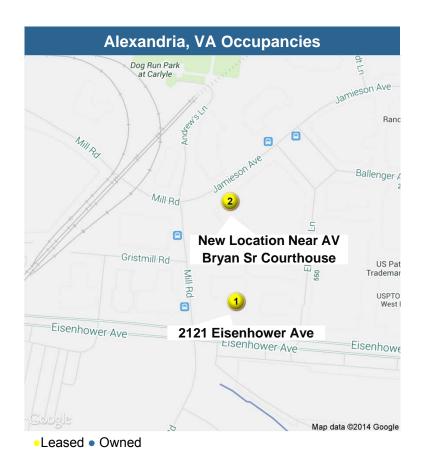
OPPORTUNITY 14 | BACKGROUND

Alexandria, VA | Leased to Owned Relocation

- GSA Field Office occupies space in a leased location in Alexandria, VA and is proposing to significantly reduce its space
- GSA proposes to exit lease and reduce footprint by approximately 83% and improve utilization by 84%
- GSA proposes to be housed in federally owned space, preferably in AV Bryan Courthouse which it services.
- However since there is currently little space available in Courthouse, GSA is attempting to find a permanent location either in the Courthouse or GSA's Regional Office Building







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
1. 2121 Eisenhower Ave	Leased	4,092	\$106k	1Q FY15
2. New Location (near AV Bryan Sr Courthouse)	Owned	1,100	\$29kk	TBD

OPPORTUNITY 14 | DETAIL

Alexandria, VA | Leased to Owned Relocation

CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL REAL ESTATE

Opportunity Description

- GSA will exit an expiring lease housing a field office and seek a federally owned space closer to Courthouse which it services
- Relocation of GSA Field Office occurred in the Courthouse only as a temporary assignment in 1Q FY15 through 4Q FY15
- Currently GSA Field Office is temporarily in 875 RSF but plans to further reduce to 700 RSF.

Potential Benefits

- RSF reduction: 3,392 RSF (83%)
- Annual rent savings(w/oTl): \$80k (75%)
- Total investment costs: \$2.8k

- Total Agency upfront costs: \$2.8k

- Total GSA/Lessor upfront costs: TBD

- Agency Break Even: 0 yrs

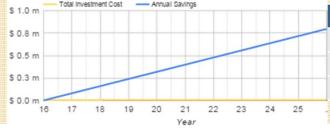
Agency Priority: #x out of xx

Ability to Fund (FYXX): GSA-Med; Agency-??

Recommended Next Steps

Action	Lead	Date
Determine whether	GSA	July
permanent space can be		2015
found in AV Bryan CH		

Agency Breakeven



Opportunity Review Status 1. GSA Central Office Approved 2. GSA Regional Office Approved 3. Client Agency Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$106k	\$106k	4,092	3,720	5	744	45
Target	Relocation	1Q FY16	\$26k	\$26k	700	595	5	119	8
Annual TI Payment in Rent = \$600		\$600	Target Cost / (Benefit):	(\$80k)	(3,392)	(3,125)	0	(625)	(37)
# of years TI is being amortized = 5 years		Target % Improvement:	(75%)	(83%)	(84%)	0%	(84%)	(83%)	
Savings Achieved									

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total					\$2,800		\$2,800	\$2,800	0 years
Funding Source(s)									

IMPLEMENTATION OPPORTUNITY 14 | PROJECT SUMMARY

Alexandria, VA | Leased to Owned Relocation

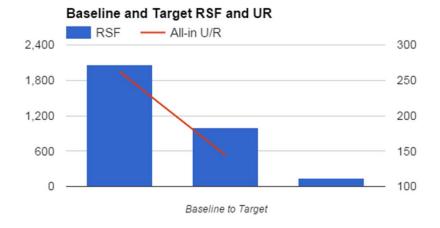


Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Relocate 2121 Eisenhower Ave	Leased to Owned	NCR	Relocate leased location into a smaller site with mission critical proximity near the AV Bryan Courthouse	12/31/14	1Q FY16	Niya Lewis, Susse Yuan	Resolve temporary housing

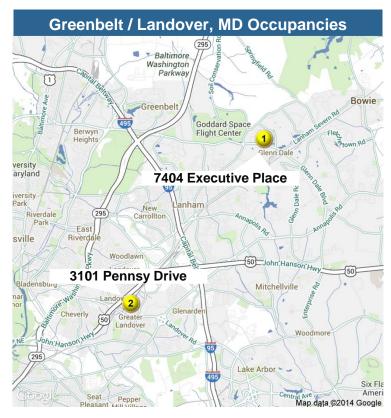
OPPORTUNITY 15 | BACKGROUND

Greenbelt, MD | Leased to Leased Consolidation

- GSA occupies 2 leased locations in Greenbelt, MD
- FAS Fleet Management occupies 2,059 at Executive place
- GSA also has a lease at 3101 Pennsy Drive where additional capacity exists
- Agency determined it can exit Executive Place lease and consolidate into Pennsy Drive







Building	Owned/ Leased	RSF	Annual Rent	OA Expiration
1. 7404 Executive Place	Leased	2,059	\$69k	Dec 2014
2. 3101 Pennsy Drive	Leased	1,000	\$17k	Jan 2020

Greenbelt, MD | Leased to Leased Consolidation

CLIENT PORTFOLIO PLANNING

Opportunity Description

 Backfilling FAS Fleet Mgmt from an expiring lease into an existing GSAtenanted lease in their service area.

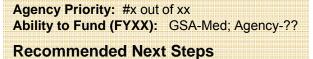
Potential Benefits

- RSF reduction: 1,059 RSF (52%)
- Annual rent savings(w/oTI): \$52k (75%)
- Total investment costs: \$0

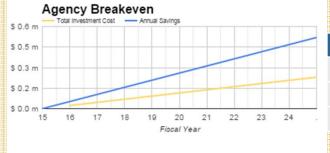
- Total Agency upfront costs: \$0k

- Total GSA/Lessor upfront costs: \$0k

- Agency break even: **0 Years**



Action	Lead	Date
Project Completed	GSA	2Q FY15



Opportunity Review Status								
1. GSA Central Office	Approved							
2. GSA Regional Office	Approved							
3. Client Agency	Approved							

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$69k	\$69k	2,059	1,834	7	262	23
Target	Consolidation	2Q FY15	\$40k	\$17k	1,000	1,000	7	144	11
Annual TI P	Annual TI Payment in Rent =		Target Cost / (Benefit):	(\$52k)	(1,059)	(834)		(118)	(12)
# of years TI is	being amortized =	5 years	Target % Improvement:	(75%)	(52%)	(45%)		(45%)	(52%)
Savings Achieved to Date (See Outcomes Report in Appendix)				\$64,226 (123%)	1,207 (114%)	982 (117%)	4	49 (41%)	13 (101%)

OPPORTUNITY INVESTMENT DATA

		Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
	Total								\$0	0 Years
-	Funding Source(s)									50

IMPLEMENTATION OPPORTUNITY 15 | PROJECT SUMMARY





Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Relocate 7404 Executive Place to Landover, MD	Leased to Leased	NCR	Relocate leased location into a smaller footprint with significant rent savings	FY14	FY15	Lori Malachi	Project Completed



GSA Next Steps

Next Steps



Task	Who	Timeframe
Continue identifying opportunities to achieve improved internal workspace by 2017	Regions and CPP team	FY14 - FY17
Evaluate potential co-locations with other agencies in Federal space	Regions	ongoing
Project Measurements	CPP team	Annual
Confirm estimates of rent savings, RSF savings and costs of implementation	Regions and CPP team	Bi-annual
Evaluate Outcomes for Regional Headquarters workplace renovation strategies	Regions and CPP teams	Annual



GSA Supporting Detail

GSA Goals and Potential Areas of Focus



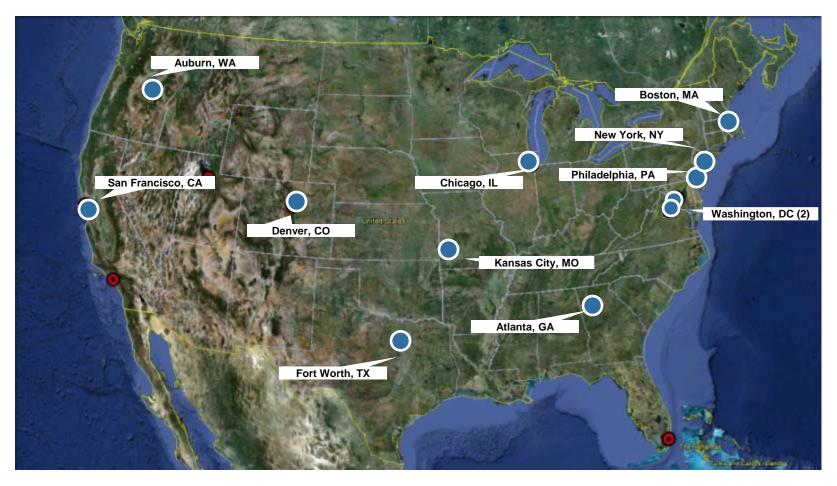
GSA Goals & Objectives	Core Real Estate Functions	Areas of Focus
Provide savings to federal departments and agencies Deliver contracting solutions to generate customer savings Improve the federal utilization of space Reduce resource use and environmental impact Improve the efficiency of operations and service delivery Increase efficiency of GSA operations Enhance asset management Deliver excellent customer service Enhance relationships with customers, suppliers and stakeholders Support small and disadvantaged business	Office Space Offices located nationwide to support both mission and administrative functions of each OpDiv Warehouse Majority of warehouse space Other Numerous other highly specialized property types exist Other property types include	Consolidate when practical and in support of missions to achieve economic goals Dispose of underutilized and underperforming assets and redeploy capital to more effective investments Further develop the use of alternative workplace solutions and adopt technologies that can help reduce the size and cost of the real property portfolio in order to improve utilization rates Develop space designs that enable efficient collaboration and transfer of information to the public Increase percent of high-performance sustainable buildings Reduce portfolio footprint and energy consumption Optimize and modernize facilities to better support operations Create a workplace that enables recruitment and retention of highly qualified and skilled workforce Invest in the information infrastructure, technology, and tools that are essential to support customers

Source: GSA FY2014-FY2018 Strategic Plan

The largest GSA RSF concentration is located in DC (36%) PLANNING

Observations:

 GSA has 11 Regional Office locations geographically dispersed across the U.S primarily in the financial districts of major metropolitan areas



LeasedOwned

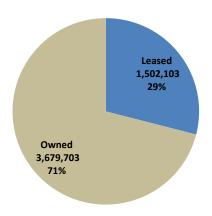
Portfolio is Primarily in Owned Office

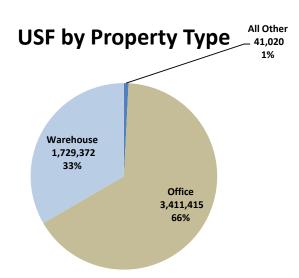


Observations:

- GSA footprint is 5.2M USF with 3.7M in owned (71%) and 1.5M USF in leased locations (29%)
- Occupied office area is 3.4M USF (66%), and warehouse area is 1.7M USF (33%)

Leased vs Owned





EXCLUDED from the analysis - OIG, Board of Contract Appeals, Former President Space, and Outleases

Source: GSA Portfolio data as of 2Q FY15

Portfolio RSF and Annual Rent

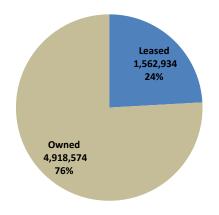


60

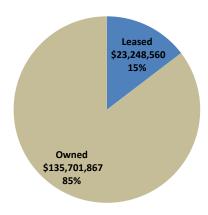
Observations:

- GSA footprint is 6.5M RSF with 4.9M in owned (76%) and 1.6M in leased locations (24%)
- GSA annual rent is \$159M with \$136M in owned (85%) and \$23M in leased locations (15%)

Owned Vs Leased RSF



Owned Vs Leased Annual Rent



EXCLUDED from the analysis - OIG, Board of Contract Appeals, Former President Space, and Outleases

Source: GSA Portfolio data as of 2Q FY15

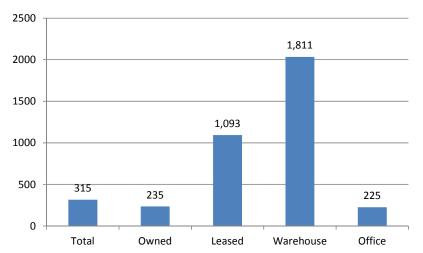
Property Utilization in Owned and Leased Space Ranges Widely



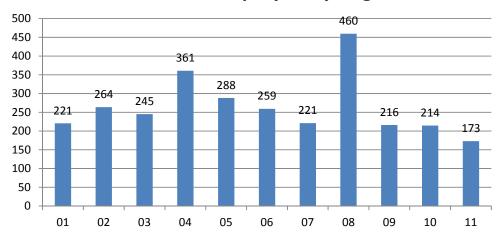
Observations:

- GSA overall office utilization baseline is 225
- Office Region USF/employee baseline ranges from 173 to 460
- Owned Utilization is 235, while Leased Utilization is 1,093

Baseline USF/Employee



Office USF/Employee by Region



EXCLUDED from the analysis OIG, Board of Contract Appeals, Former President Space, and Outleases. Only Includes data for buildings with HC data

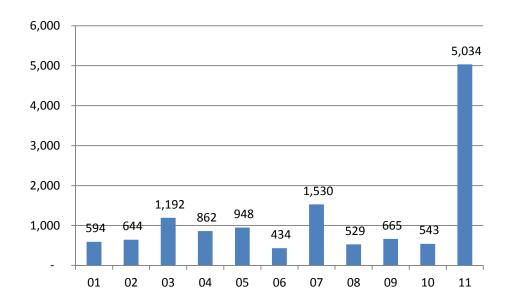
Portfolio Baseline Employees and Contractors



Observations:

- Baseline personnel count is 12,975
- NCR has largest concentration, 39% of total GSA employees
- Some Regions will have increased personnel count due to revised definitions of GSA contractors and FTE staff

Employee Count by GSA Region



EXCLUDED from the analysis OIG, Board of Contract Appeals, Former President Space, and Outleases. Only Includes data for buildings with HC data

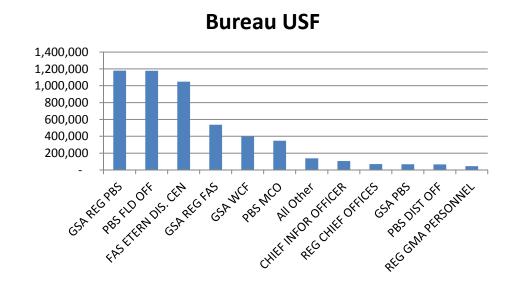
GSA's three largest bureaus (by USF) account for majority of the total portfolio



63

Observations:

- Largest three GSA Bureaus account for 3.4M USF which is 66% of total GSA USF
- GSA Reg PBS, GSA PBS Field Office, & FAS Etern Dis. Cen



EXCLUDED from the analysis OIG, Board of Contract Appeals, Former President Space, and Outleases

Source: GSA Portfolio data as of 2Q FY15

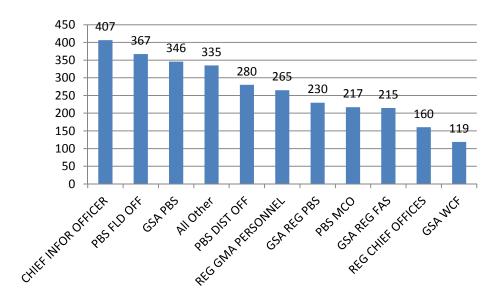
Occupancy Metrics by GSA Office Bureau



Observations:

- The average utilization rate among the bureaus in office space is 267
- Regional FAS and PBS have 5,135 office employees, and 42% of total Regional office staff as well as 42% of total USF - with lower than average USF/employee rates (225)
- PBS Field Office has 2,022 office employees and 16% of total Regional office staff as well as 27% of total USF with higher than average USF/employee rate (346)

USF/Person by GSA Bureau



EXCLUDED from the analysis OIG, Board of Contract Appeals, Former President Space, and Outleases. Only Includes data for buildings with HC data that are located in office space

GSA Leased Office Portfolio



65

Observations:

- GSA occupies 339,637 USF of leased office space, 10% its total office portfolio
- Footprint: GSA occupies 216,158 USF of leased space in non HQ locations.
- R3 HQ lease of 128,110 USF is largest office lease.
- Non HQ lease locations are small in size (less than 20K USF)
- GSA is evaluating opportunities to exit 17 non HQ leased locations by FY16 and relocate to owned where feasible
- These 17 non HQ office leases account for 30% of GSA non HQ leased USF and 14% of GSA leased rent

Region	Expiration	Street Address Line	City	State	USF	Annual Rent
3	9/24/2017	651 FOXCROFT AVENUE	MARTINSBURG	WV	3,241	\$32,938
4	10/14/2017	700 S. PALAFOX ST	PENSACOLA	FL	298	\$58,506
4	12/27/2016	5520 FERN VALLEY ROAD	LOUISVILLE	KY	1,344	\$33,380
4	12/19/2018	205 REGENCY EXECUTIVE PARK BUILDING	CHARLOTTE	NC	2,263	\$96,257
4	8/18/2021	200 JEFFERSON AVE	MEMPHIS	TN	4,366	\$184,557
5	9/30/2022	508 S 8TH ST	SPRINGFIELD	IL	0	\$60,163
5	9/30/2022	520 S. 8TH STREET	SPRINGFIELD	IL	1,560	\$40,739
5	9/23/2022	1734 CORPORATE XING	O FALLON	IL	2,946	\$122,383
5	9/30/2015	2900 PRESIDENTIAL DRIVE	FAIRBORN	OH	1,922	\$97,600
5	9/30/2017	17177 N LAUREL PARK DR	LIVONIA	MI	380	\$30,035
5	3/31/2016	7040 HIGH GROVE BOULEVARD	BURR RIDGE	IL	19,524	\$1,226,030
8	8/31/2022	901 FRONT ST (FLEET)	Helena	MT	69	\$95,924
8	7/31/2023	1810 RAND RD (FLEET)	Rapid City	SD	1,692	\$41,280
8	6/30/2016	999 18TH ST	DENVER	СО	85	\$13,126
9	4/30/2016	300 ALA MOANA BLVD	HONOLULU	HI	8,020	\$401,974
11	11/30/2017	300 7TH ST SW	WASHINGTON	DC	7,667	\$329,411
11	4/15/2017	311 HOOFS RUN DRIVE	ALEXANDRIA	VA	9,000	\$247,870
					64,377	\$3,112,173
		% of total office leased			%	%

EXCLUDED from the analysis OIG, Board of Contract Appeals, Former President Space, and Outleases. Only Includes data for buildings

Source: GSA Portfolio data as of 2Q FY15

GSA Warehouse Locations

CLIENT PORTFOLIO PLANNING
OPTIMIZING FEDERAL REAL ESTATE

- GSA Warehouse locations account for 1.7 M USF (33% of total portfolio of 5.2 M)
- Warehouse Lease at 1900 River Road in Burlington, NJ is 61% of warehouse portfolio
- Region 6 and 8 GSA HQ owned locations classified as warehouse account for 256k USF

Owned Warehouse

Owned Location	USF	OAs	Annual Rent
10200 OLD US 281 Dunseith, ND	765	1	\$28,811
1500 E BANNISTER RD KANSAS CITY MO	34,210	6	\$523,787
1600 12TH ST NW ALBUQUERQUE NM	7,357	1	\$48,033
202 NW GRAHAM RD TROUTDALE OR	6,700	1	\$28,587
3819 PATTERSON DR New Orleans, LA	292	1	\$7,296
400 EDWARDS AVENUE Harahan, LA	2,200	1	\$6,933
404 PINETREE BLVD. THOMASVILLE GA	8,642	1	\$13,408
4890 NORTH RUNWAY DRIVE Medford, OR	513	1	\$3,883
501 W FELIX STFORT WORTH TX	39,050	4	\$138,009
6810 LOISDALE RD SPRINGFIELD VA	243,840	3	\$1,831,289
FIRING RANGE/GSA MAINTENANCE GARAGE Babb, MT	1,747	1	\$63,164
NEBRASKA AVENUE COMPLEX WASHINGTON DC	2,013	2	\$27,414
TERMINATION OF FM 1088 FT Hancock, TX	186	1	\$9,095
W 6TH AVE & KIPLING ST LAKEWOOD CO	219,389	35	\$3,642,932
	566,905	59	\$6,372,641.27

Leased Warehouse

Leased Location	Expiration	USF	OAs	Annual Rent
1900 RIVER RD BURLINGTON NJ	12/13/2020	1,048,631	1	\$8,655,351
3101 PENNSY DR Hyattsville MD	1/31/2020	103,935	4	\$1,748,705
311 HOOFS RUN DRIVE ALEXANDRIA VA	4/15/2017	8,000	1	\$247,871
8375 ARDWICK ARDMORE RD HYATTSVILLE MD	5/10/2015	1,900	1	\$3,127
		1,162,466	7	\$10,655,053

EXCLUDED from the analysis OIG, Board of Contract Appeals, Former President Space, and Outleases. Only Includes data for buildings located in warehouse space

Source: GSA Portfolio data as of 2Q FY15





GSA Region	Project	Location	Description	Net Change in USF	Projected Cost*
1	53 PLEASANT STREET	CONCORD, NH	Owned Contraction	1,436	\$30,000

Summary of Opportunities Identified, Not Advanced



Region	Opportunity	Contributing Strategy	Outcome	Potential Benefit
3	New Jersey Warehouse	Expiring 1.2M RSF Lease	2020 expiration	Unloading a vacant warehouse with \$8M in annual rent
10	Region 10 ROB right size	No backfill potential	Pursue alternate building uses	Better utilize FB
11	Region 11 ROB right size	Relocate other Agencies such as PIC/PTT	Accelerate GSA move to HQ	Accelerating move to HQ avoids \$100M-\$200M renovation costs needed for ROB building

Supporting Resources and References



Document Name	Document Source	Date	Applied Use
GSA Master Data Template	GSA Office of Portfolio Management	4QFY13	Portfolio Analysis
Excel Project Tracker of USF and Headcount	GSA Region Reported	2QFY14	Portfolio Analysis
OAS Opportunities Tracker	Office of Administrative Services	2QFY14	Project tracking
Asset Business Plans	GSA Central Office	1QFY14	Data Validation
Improving GSA's Internal Workplace Initiative Preliminary 5 year Plan (95% Revised Draft)	CPP Team submitted draft to OAS	2QFY14	CPP Team Roll up of Region submitted data presented to OAS
FY14 OA Analysis 20140103	GSA Central Office Portfolio Division		Provided by OAS to CPP Team for Baseline
Guidance for Calculating Scope 3 Emissions	World Business Council for Sustainable Development and World Resources Institute	August 2011	All Opportunities
Workplace+ Calculating Space Utilization	GSA Workplace+ PMO Bulletin 01-13	06/2013	All Opportunities

CPP Team Roster



GSA Team

Name	Role	Title
Michael Gelber	GSA Executive Sponsor	Deputy Commissioner - Public Buildings Service
Daniel Miller	Project Lead	Workplace Solutions, Office of Administrative Services
Herman Goodyear	Project Lead	Workplace Solutions, Office of Administrative Services
Loaela Hammons	CPP Program Manager	Office of Client Solutions
Janise Nichols	Project Coordinator	Workplace Solutions, Office of Administrative Services
Mark Tyler	Project Support	Workplace Solutions, Office of Administrative Services
Sandra Walker	Zonal Coordinator	Workplace Solutions, Office of Administrative Services
Robert Riddle	Zonal Coordinator	Workplace Solutions, Office of Administrative Services
Ana Altieri	Architect	Workplace Solutions, Office of Administrative Services
Gretchen Fisher	CBRE	Consultant
Malcolm Squire	CBRE	Portfolio Analysis

CPP Team Roster (continued)



GSA Regional Champions

Name	Role	Title
Matt Bailey	Region 1 – Regional Champion	Office of Portfolio Management
Vincent Scalcione	Region 2 – Regional Champion	Office of Portfolio Management
Libby Bauman	Region 3 – Regional Champion	Office of Portfolio Management
JD Dennis	Region 4 – Regional Champion	Office of Portfolio Management
Billy James	Region 5 – Regional Champion	Office of Portfolio Management
Kevin Rothmier	Region 6 – Regional Champion	Office of Portfolio Management
Melvin Freeman	Region 7 – Regional Champion	Office of Portfolio Management
GW Emge	Region 8 – Regional Champion	Office of Portfolio Management
Maria Ciprazo	Region 9 – Regional Champion	Office of Portfolio Management
Dan Brown	Region 10 – Regional Champion	Office of Portfolio Management
Vickie Pickeral	Region 11 NCR – Regional Champion	Office of Portfolio Management

Contact Information



All inquiries regarding the program or the content of this portfolio plan should be directed first to the CPP Program Manager

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GSA CPP Executive Sponsor

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Outcomes Achieved



FY15 Outcomes Achieved: Ogden, UT





NATIONAL QUICK FACTS

Portfolio Snapshot

5.7M RSF \$137.7M/yr rent roll 73% Owned space 27% Leased space

Space Use

68% Office Space 32% Warehouse Space National UR Goal for office space: 150

Background

- · PBS Building Manager and FAS Fleet occupy space in the James V. Hansen Federal Building in Ogden, UT
- In order to demonstrate efficient space utilization and allow for client agency backfill, GSA plans to redesign and reduce its space
- This reduction in space allows GSA to relocate even more IRS's space from leased into the Federal Building a proposed project on the FY15 Consolidation Spend Plan

Action: Right-size in Owned Space

- Several potential designs, including different furniture options and layouts, were evaluated.
- Impacted personnel were interviewed regarding their work patterns, office culture, and design choices in order to develop a workplace strategy for the space.
- The results of the interviews were acted on and the completed design was received well by the occupants
- · Involving the occupants in the design process resulted in positive buy-in and increased productivity

Results

- The project was completed slightly ahead of schedule in December 2014, which was important since timely completion allowed for timely start of the IRS backfill strategy.
- The project costs were significantly under the projected \$78k budget. The total investment cost was \$51,000.
- Workspace redesign successfully yielded a 123.5 Office-only UR, well below GSA's National UR goal.
- The project's payback period is less than one year.
- As important as the cost-savings, the design & quality of the space is also greatly enhanced.

SAVINGS ACHIEVED

	Action	Start (End) Dates	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/perso n)	GHG Emissions (Tons)
Baseline		1Q FY14	\$101.6k	\$101.6k	6,784	4,581	8	573	75
Target	Right-size	2Q FY15	\$43.6k	\$37.6k	1,851	1,234	10	123	20
			Cost / (Benefit):	(\$64k)	(4,958)	(3,347)	2	(450)	(55)
			% Improvement:	(63%)	(73%)	(73%)	25%	(79%)	(73%)
Savings Achieved to Date (% of Target Savings)			\$84.4k (132%)	5,011 (101%)	3,346 (100%)	2 (100%)	449 (100%)	55 (100%)	



FY15 Outcomes Achieved: Greenbelt MD Consolidation





Background

- · GSA occupied two leased locations in the Greenbelt, MD area.
- FAS Fleet occupied 2,059 RSF of office space with 4 people at 7404 Executive Plaza expiring on 12/11/2014.
- GSA also occupies space in a warehouse lease at 3101 Pennsy Drive expiring on 1/31/2020.
- There was no available vacant federal space but the Pennsy lease was determined to be under-utilized.
- In order to optimize space in the Pennsy lease, FAS Fleet was willing to move allowing for GSA to exit the Executive Plaza lease.

NAT'L QUICK FACTS

Portfolio Snapshot

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Space Use

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Action: Lease to Lease Consolidation

- A leased to leased consolidation presented the best option. Not only was the move well timed with the Executive Plaza lease expiration, the space was move-in ready.
- Since cubicles already existed in the Pennsy lease, there were no requirement for build-out or furniture reconfiguration.

Results

- Implementation was completed ahead of schedule in December 2014 with only \$3,000 move costs
- Employees are satisfied with backfill space and experienced minimal disruption to their normal operations
- Total Office UR does not apply since the new location was a warehouse.
- The annual rent savings due to lease termination were \$64,226.

SAVINGS ACHIEVED

	Action	Start (End) Dates	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$69K	\$69K	2,059	1,834	7	262	23
Target	Consolidation	2Q FY15	\$40K	\$17K	1,000	1,000	7	143	11
			Cost / (Benefit):	(\$52k)	(1,059)	(834)	0	(119)	(12)
			% Improvement:	(75%)	(52%)	(45%)	0%	(45%)	(52%)
Savings Achieved to Date (% of Target Savings)			\$64,226 (123%)	1,207 (114%)	982 (117%)	4	49 (41%)	13 (101%)	



FY15 Outcomes Achieved: Kansas City, MO Regional Office Relocation







Portfolio Snapshot

5.7M RSF \$137.7M/yr rent roll 73% Owned space 27% Leased space

Space Use

68% Office Space 32% Warehouse Space National UR Goal for office space: 150

SAVINGS ACHIEVED

Background

- GSA regional office is located in 264k USF at. Bannister Federal Complex (BFC). GSA controlled portion of the BFC will be vacant in 2015 and transferred to DOE NNSA for disposition per Congressional authorization
- Relocating allows GSA to implement open office design and showcase efficient space use to other agencies.
- GSA staff transitioned to USDA in March 2015 are included in reported numbers, as they are part of same lease.

Action: Owned to Lease Relocation

- · Lack of available federal space made a new lease the only viable housing solution.
- · Relocation to a lease on 2300 Main allowed GSA to reduce its footprint and implement open office design
- Project challenges included cultural transition from sprawling suburban federal facility with free parking to
 downtown high rise lease facility with large atrium and parking at employee expense; transition to desk sharing
 and universal design across business lines; and construction cost impact of compressed footprint.
- Associates kept informed through Town Halls, website and newsletters. Associates voted on portions of color pallette, and type of personal storage. Regular updates maintained good working relationship with union.
- Lease negotiations resulted in rental rates \$4.00 lower than market rate of \$20.00.

Results

- With a total investment cost of \$21.7M, this project saved taxpayers \$22.4M over 20 year life of the lease
- Reduction in space (workstations and offices) allowed for growth in shared spaces such as conference rooms.
- New space puts GSA and clients on the leading edge of the federal government's transition from traditional offices and cubicles to vibrant, open work environments fully embracing GSA's Total Workplace concepts.
- Over 900 new workers strengthen the federal presence and continued growth of the local community, which includes restaurants, hotels, museums, shopping, an arts district, public transportation, and historic Union Station.
- Positive feedback on location, flexibility, daylighting and views, productivity, and modern character of space.
- Office-only UR of 97 is well below GSA's national office UR goal. All in UR of 136 is for non OIG staff.

	Action	Start (End) Dates	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		4Q FY14	\$3.9M	\$3.9M	347,017	264,653	933	284	3,817
Target	Relocation	2Q FY15	\$3.1M	\$1.8M	161,691	124,172	947	131	1,778
			Cost / (Benefit):	(\$2.1M)	(185,326)	(140,481)	14	(152)	(2,039)
			% Improvement:	(63%)	(53%)	(53%)	1.5%	(54%)	(53%)
Savings Achieved to Date (% of Target Savings			\$1.2M (57%)	172,978 (93%)	129,462 (92%)	39 (279%)	145 (95%)	1,903 (93%)	



FY15 Outcomes Achieved: Airway Heights, WA Consolidation





NAT'L QUICK FACTS

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Space Use

68% Office Space 32% Warehouse Space National Office UR Goal for office space: 150

SAVINGS ACHIEVED

Background

GSA R10 initiated a project with Fleet Management Center during November 2014. The intent was moving them from an Airways Heights, WA lease location to available-vacant federal space in Spokane. The move was planned to achieve both significant annual rent savings while aligning to GSA 150 in 5 years initiative.

Action: Leased to Owned Consolidation

The Airway Heights lease was set to expire on 2/1/2015. The market rate at this lease location was considerably higher than the rate in the proposed-Federal Building location . GSA PBS partnered with FAS to maximize shared efficiencies for consolidating space and reducing utilization rates. This project enabled GSA to increase the occupancy at the Tom Foley Federal Building in Spokane, WA. The move was completed on 2/1/2015 well timed with the lease expiration.

Results

All aspects of this project were completed timely and successfully. Total investment costs were \$7k less than the targeted costs. Annual rent savings was \$40k. The consolidation realized a 55% rsf footprint reduction and office only UR decreased from 345 to 112 usf/person. This had a positive impact toward the GSA150 initiative, as a whole.

Fleet Management team benefitted by being able to collaborate more effectively with their GSA R10 counterparts and client-agency partners because most of them are located within Spokane's Central Business District.

	Action	Start (End) Dates	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$63K	\$63k	3,100	3,100	7	443	34
Target	Consolidation	2Q FY15	\$60K	\$23k	1,405	1,004	7	143	15
			Cost / (Benefit):	(\$40k)	(1,695)	(2,096)	0	(300)	(19)
			% Improvement:	(63%)	(55%)	(68%)	0%	(68%)	(55%)
Savings Achieved to Date (% of Target Savings)				\$40k (100%)	1,695 (100%)	2,096 (100%)	0 (100%)	300 (100%)	19 (100%)



FY15 Outcomes Achieved: Lakewood, CO Regional Office





QUICK FACTS

Portfolio Snapshot

5.7M RSF \$137.7M/yr rent roll 73% Owned space 27% Leased space

Space Use

68% Office Space 32% Warehouse Space National UR Goal for office space: 150

SAVINGS ACHIEVED

Background

- GSA occupies office and warehouse space at the Denver Federal Center located in Lakewood, CO
- As part of GSA's Office of Administrative Services (OAS) 150 in 5 initiative, GSA Region 8 leveraged workplace strategies
 to optimize its regional headquarters office space and repurpose 43K USF of office space into joint use space.

Action: Right-size in Owned Space

- An integrated team was formed to create a workspace incorporating modern workplace solutions, a living model for our customers, and a workplace that focused on People.
- · All levels of employees were engaged by implementing a unique change management and communication plan.
- · An activity-based design complete with zones, neighborhoods, and variety of seating options was created
- Workspace was greatly enhanced by using accent colors, updating furniture, access to natural daylight, and increasing the number of amenities.
- A central collaboration hub, quiet zone, team work areas, huddle / conference / phone rooms, and quiet and collaboration lounges was created
- Furniture was updated to bench-style seating with sit-to-stand options and BookIT! & drop-in options.
- IT was upgraded including conference room A/V, collaboration technology, and Wi-Fi access.
- Consolidated storage and centralized supplies

Results

- · Project costs totalled \$2.6M which is slightly over original budget due to a few workspace change orders
- All levels of the organization was engaged in surveys, team engagement sessions, Q&A and townhall events.
- In March 2016, a backfill tenant is slated to occupy the space released by GSA. The tenant will utilize the space as turnkey swing space while GSA renovates their current space on the DFC.
- The Office-only UR (excluding Warehouse) achieved in the project is 106 sf/person, well below GSA's target of 150
- The project met the metrics and standards set forth by OAS to optimize R8 HQ's real estate footprint.
- DOI-ONRR will backfill vacant office space starting March 2016 as swing space as they renovate their building on the DFC.

	Action	Start (End) Dates	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY15	\$3.6M	\$3.6M	249,934	204,864	383	525	2,749
Target	Right-size	2Q FY15	\$1.6M	\$1.4M	132,031	107,974	390	276	1,452
			Cost / (Benefit):	(\$2.2M)	(117,903)	(96,890)	7	(249)	(1,297)
			% Improvement:	(80%)	(47%)	(47%)	2%	(47%)	(47%)
Savings Achieved to Date (% of Target Savings			\$2M (90%)	128,558 (109%)	105,376 (108%)	58	239 (96%)	1500 (115%)	



FY15 Outcomes Achieved: Los Angeles, CA





QUICK FACTS

Portfolio Snapshot

5.7M RSF \$137.7M/yr rent roll 73% Owned space 27% Leased space

Space Use

68% Office Space 32% Warehouse Space National UR Goal for office space: 150

Background

- GSA occupies space in a federal building in Los Angeles, CA and has desires to reduce its footprint
- Providing 29K RSF in the federal building allows for other agencies to relocate from costly leased space
- Combined six GSA Divisions to gain productivity: Los Angeles Service Center, Los Angeles Real Estate Branch, Los Angeles Federal Branch, Los Angeles Field Office, Regional Procurement and Design and Construction

Action: Right-size in Owned Location

- · Various design layouts with different furniture types were explored
- Union involvement throughout project including planning and implementation
- Employee Needs Assessment surveys conducted for telework vs assigned seating, storage requirements, conference room requirements
- Implemented Change Management, with continuous employee outreach meetings to inform and prepare for an open office environment
- Provided employee training and tools for a successful mobile and versatile workplace

Results

- Total project costs were \$1.4M. Project resulted in a successful outcome, positive feedback from Divisions: space is modern and bright, workstations are larger than anticipated, huddle rooms proved effective
- Consolidation achieved our target goal of 136 Office-only UR per person; Office-only UR = 106
- · GSA vacated space to be backfilled by HUD
- · Collaborative Work Environment by Combining Divisions
- Shred Event Resulted in 863 Boxes or 1,294 Linear Feet Paper Shredded/Recycled
- · Partnered with NARA for archive record storage

SAVINGS ACHIEVED

	Action	Start (End) Dates	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		4Q FY14	\$1.2M	\$1.2M	41,319	29,751	67	444	454
Target	Relocation	4Q FY15	\$.54M	\$.4M	12,638	9,100	67	136	139
	Cost / (Benefit):				(28,681)	(20,651)	0	(308)	(315)
			% Improvement:	(67%)	(69%)	(69%)	0%	(69%)	(69%)
	Actual					9392	69	136	141
Savings Achieved to Date (% of Target Savings				\$.6M (75%)	28,514 (99%)	20,359 (99%)	2	308 (100%)	313 (99%)





Definitions

Acronyms Used in this Report



Acronym	Definition
FY	Fiscal Year
	The federal government's fiscal year runs from October 1 of the previous calendar year to September 30 of the year with which it is numbered.
GHG	Greenhouse Gas
GSA	General Services Administration
HQ	Headquarters
k	Thousand
М	Million
NCR	National Capital Region
OA	Occupancy Agreement
	An Occupancy Agreement is similar to a lease between GSA and each tenant agency in a building that establishes the rent and space assignment for each agency. Source: www.gsa.gov
OpEx	Operating Expense
	In a real estate context, operating expenses include non-rent costs associated with the operation and maintenance of a property. Source: www.gsa.gov
Payback	The payback period (in years) is calculated by dividing the total investment cost by run-rate annual savings
RSF	Rentable Square Feet
	The rentable area typically includes the usable area within the tenant's premises plus an allocation of common areas of the building. Source: GSA Workplace
RWA	Reimbursable Work Authorization
UR	Utilization rate (USF/person)
	To calculate space efficiency of a location, divide total usable square feet by the personnel that occupy the space. Source: GSA Workplace
USF	Usable Square Feet
	The usable area is the amount of space that the agency uses, including total office, special, and storage spaces. Source: GSA Workplace

Business Case Definitions SELECTED GLOBAL fields



Opportunity Analysis Component	Definition and limiting conditions	Reference / Source
Baseline	 The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison 	 GSA Master Data Template / GSA Portfolio Agency analyses and data / Individual Agency contacts and FRPP Business Case Model rel. 1 / Client Portfolio Planning & CBRE Business Case Principles Presentations / GSA Portfolio Jan – June 2013 (see extract on next page)
Target	The resultant End State of the portfolio after all Tactics have been implemented RSF, Rent, USF, HC (Headcount) are standard properties and not defined here Implementation Start / End Date: the earliest / latest date that is associated with any Tactic	Business Case ModelRegional analysesConsolidation Fund model
Tactics	 When all tactics are combined, these comprise the Strategic Plan for the Portfolio that is being analyzed and optimized Each individual Tactic is a time bounded action which impacts the performance metrics of the Portfolio Minimum data required include: Tactic date and building impacted by the proposed change Area subject to construction (see Build Out definitions) Change in area to be occupied and subject to recurring rent and operating costs Changes in headcount assigned to each individual location Construction scope and unit costs 	Opportunity Card / Opportunity Description by CPP teams Unit Costs from WIFM v1i / GSA Workplace
Net Improvement	Changes in key metrics of RSF, USF, Rent, USF/HC, and Greenhouse gases	N/A

^{*} Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total rent, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions SUMMARY HIGHLIGHTS



Item	Definition
Opportunity Description	Describe the scope of the opportunity. Explain movement between buildings, expiration dates, etc. This section gives the reader an understanding of what implementing the opportunity entails.
Potential Benefits: RSF Reduction	The amount of RSF change between the Baseline and Target plans, including the percentage of change in parentheses
Annual Rent Savings (w/o TI)	Difference between Baseline Annual Rent versus forecasted Target Annual Rent without costs of Build Out amortization included in the Target Annual Rent.
Total Investment Costs	Sum of all GSA and Agency Costs. Also shown as TIC amount in the OPPORTUNITY INVESTMENT DATA table.
Total Agency Upfront costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)
Total GSA Upfront costs	Sum of Build Out (TI) and Build Out (Core/Shell) from OPPORTUNITY INVSTMENT DATA table.
Agency Break even	Calculated number of years for the Agency to recoup the Agency Upfront Costs. Also shown in the OPPORTUNITY INVESTMENT DATA table.
Agency Priority	How this Opportunity is expected to be prioritized by the Agency. Rank by number (X) out of (XX). XX is the number of opportunities in the PR3.
Ability to Fund (FYXX)	FYXX identifies timing that funds would first be needed. Also include a subjective estimation of GSA's and the Agency's ability to fund – either High, Medium, or Low
Recommended Next Steps	Short list of time-bounded & assigned accountabilities for priority / major next steps or milestones to achieve the Opportunity benefits. Can change over time and will reflect contemporary situation.
Opportunity Review Status	Statement of key Stakeholder support of the Opportunity. Valid values: - Approved - In Process - Initiated - Rejected

^{*} Note: GSA's Business Case Analysis Model and specialized Regional worksheets are typically used to develop these data. Business Case Appendix materials identify Sources.

Opportunity Card Definitions OPPORTUNITY ANALYSIS table



Item	Definition
Baseline	 The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date or Owned) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison
Target	Forecasted future conditions ("End State") scenario and associated measures. See Baseline definition.
Action	Strategy to be used to implement changes between Baseline and Target scenarios. Possible selections include: - Consolidation - Capital Deployment - Relocation - Market Driven - Right Size in Place - Process / Service Improvement - Cost Avoidance - Sustainability
Start (End) Date	Expected Quarter & Fiscal year timings associated with the Business Case Action. Stated in in the format of "OQ FY00"
Annual Rent (w/TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises. Specifically excludes repayment of capital investments made by other entities. Values are consistent for Business Case purposes. Not for Budgets.
Annual Rent (w/o TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises PLUS repayment of capital investments made by other non-Agency entities. Values are consistent for Business Case purposes. Not for Budgets.

^{*} Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total rent, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions OPPORTUNITY ANALYSIS table – ACTION* types



Item	Description
Consolidation	A Consolidation Opportunity brings staff together and results in fewer Agency locations. If the Target location is not presently occupied by the Agency, then the Opportunity is classified as a Relocation.
Relocation	A Relocation Opportunity moves staff from an existing location into another location. If the Target location is presently occupied by the Agency, then the Opportunity is classified as a Consolidation.
Right Size	A Right-size Opportunity reduces space at the Baseline location to achieve the Target end-state. All change is within a Baseline location.
Avoid Expansion	An Avoid Expansion Opportunity illustrates change between a Target end-state that "may" have resulted if all conditions within the property that the Agency presently occupies were replicated to accommodate growth versus the Target end-state. The Baseline condition is modified to forecast what "would" be needed ("Avoided Future State") and then compared to the Target end-state. These Opportunities are typically associated with, but not limited to, accommodating growth within an existing footprint instead of establishing larger or other premises.
Capital Deployment	A Capital Deployment Opportunity will create change within one or more properties that the Agency presently occupies by means of disposition or some special type of financing (e.g., sale, sale-leaseback, special financing).
Market Driven	A Market Driven Opportunity will create change within one or more properties that the Agency presently occupies by conducting negotiations to improve the economics of the occupancy. Examples include lowering rents to match market conditions and lowering rents by extending the term of the occupancy.
Process / Service Improveme	A Process / Service Improvement Opportunity will create change within one or more properties that the Agency presently occupies through adoption of improved processes or acquisition services such as Digital Print management, bulk purchasing contracts, etc.
Sustainability	A Sustainability Opportunity will create change within one or more properties that the Agency presently occupies by improving the operating costs of the occupancy through implementation of projects that are focused on Greenhouse gases, commutation, LEED certifications, recycled materials, etc.

^{*} Opportunities may be comprised of several different Actions. Select the predominant Action.

Opportunity Card Definitions OPPORTUNITY Sub-types



Opportunity Type	Opportunity Sub-Types			
Consolidation	Leased to Leased Leased to Owned Owned to Leased Owned to Owned Leased to Combined Owned to Combined			
Right-size in place				
Relocation	Exit and Exercise Early Lease Termination Exit and Relocate to Leased Exit and Relocate to Owned			
Market Driven	Rent Renegotiation Blend and Extend			
Cost Avoidance				
Capital Deployment	Disposal Exchange for Services Public Private Partnership Sale-Leaseback			
Sustainability				
Process / Service Improvement	Process (e.g., Print strategy) Contract (e.g., Fleet purchasing)			

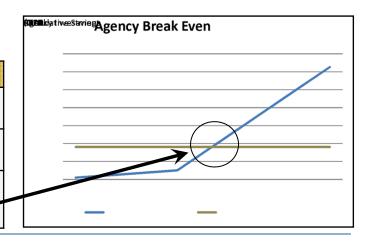
Opportunity Card Definitions OPPORTUNITY ANALYSIS table



Item	Definition	
RSF	Rentable Square Feet that are analyzed in Baseline and Target scenarios.	
USF	Useable Square Feet that are analyzed in Baseline and Target scenarios.	
НС	HEADCOUNT ("HC") assumed to be housed in Baseline and Target scenarios	
All-in UR	Utilization rate for Baseline and Target scenarios. Calculated by dividing Baseline- or Target-USF by the appropriate HC.	
GHG Emissions (Tons)		
Annual TI Payment in Rent	Annual rent paid by Agency to repay GSA for Build Out investments associated with the Opportunity. Appropriate cost of funds and monthly amortization schedule converted to annual amount.	
Cost / (Benefit) and %Improvement	Quantification of change between Baseline and Target scenarios. Cost / (Benefit) in numerical form. %Improvement as a percent and calculated by dividing Cost / (Benefit) by corresponding Baseline value.	
# of years TI is being amortized	Number of years an Agency would repay Build Out as additional Rent. DEFAULT = 5 years.	
Savings Achieved to Date	Periodic tabulation of ACTUAL results across all metrics. See Project Card descriptions.	

AGENCY BREAK EVEN graph

Segment	Definition	
Cumulative Savings	Total of Annual Rent savings accumulated over time. Annual Rents include adjustments for TI Amortization.	
Agency Investment	Running sum of <i>Total Agency Upfront costs</i> displayed on an annual basis.	
Break Even	Point where Cumulative Savings cross the Agency Investment line; representative of the number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs	



Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Build Out (TI)	 There are 3 potential scopes of work that are eventually intended to be included in this category and are derived from GSA Workplace WIFM tool definitions for consistency: Minimal Refresh Renovate New Build Out In the majority of the CPP business cases, NEW BUILD OUT scope is assumed when projects are in the early stage of development and generally aligns with: Investments required to improve space from a "warm, lit shell" condition and ready the premises for the installation of furnishings and other personal property Investments for ALL construction costs whether paid by the Agency or GSA without reduction for any available Tenant Improvement Allowance provided either by a 3rd party Landlord or a GSA Tier allowance Adjustments for location and escalation over time included DEFAULT Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise;10% special space included and assumed at Support Space unit costs DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool In many business cases, project estimates for Build Out costs have been prepared by Regional / Agency teams; these are considered to be more accurate and are included whenever possible. Comments in the business case analysis tools will identify when these assumptions have been used and summaries will be included in the PR3. 	WIFM / GSA Workplace GSA Project Cost Planning Guide; Dec 2013 as incorporated into WIFM assumptions and planning forecasts and updated for Repair and Alteration scopes in Dec 2013 / GSA Design and Construction and GSA Workplace
Build Out (Core / Shell)	 NOT TYPICAL: For Client Portfolio Planning business cases, it is unlikely that these costs will be attributed to a Client Agency business case and are typically assumed to be out-of-scope for CPP business case purposes (Note: these costs are typically captured in the GSA "Lease vs. Own" analysis processes) Core / Shell costs If included: Investments required to create or otherwise modify building systems or components and establish a "warm, lit shell" condition which is ready for Build Out investments; justification for inclusion in Agency Business Case provided 	 GSA Asset and Portfolio teams The Automated Prospectus System (TAPS) tool Prospectus approval documents / varies

Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Furniture	 Costs for NEW furnishings and other personal property installed in space that has been improved in accordance with the Build Out conditions above (Note: variances to NEW standard assumption will identify appropriate scope, assumptions, and estimate source) Furniture and equipment for standard Offices, Workstations, Conference rooms, filing, and standard support areas; other areas as needed and identified Does not include personal property such as, but not limited to, printers, computers, phone switches or other specialized equipment Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise NO COSTS included for 10% special space in addition to Workplace area assumed unless stated otherwise DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool 	WIFM v1i / GSA Portfolio and Workplace teams GSA national furniture purchasing schedule / GSA FAS Standard Office furniture components analysis / GSA Portfolio; December 2013 Business Case Model Consolidation Fund worksheet Specialized Regional analyses
IT	If available and applicable, costs identified for IT that are not included in any other category such as, but not limited to, printers, computers, cell phones, phone switches, data rooms, etc.	AgencyGSAOthers
Move	 Investments for relocating personnel within the local market (limit approx. 15 miles) DEFAULT \$3/USF for each property being exited (unless other assumption identified) Adjustments for location and escalation NOT included or available 	GSA pricing schedules and Rough order of magnitude best practices / GSA Portfolio and Region interviews
Other	Catch all category for all other investments including but not limited to Change management program costs, termination penalties, fees, specialized equipment, etc.	Varies

Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Total Investment Costs (TIC)	 Forecasted investment requirements to implement Target Sum of Build Out, Furniture, IT, Move and Other costs 	 Business Case Model Consolidation Fund worksheet Specialized Regional analyses
Agency Upfront Costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)	GSA Project teams
Agency Break Even	 Number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs Calculation is dependent on length of time and rent reduction forecast; see special instructions in Appendix 	GSA Pricing guidance and calculation methods; June 2014
Funding Sources	 Identification of expected Budget source for required investments Agency-related Sources are summed in the Agency Upfront Costs field 	GSA project teams GSA and Agency finance staff

Additional notes:

- 1. The investment values displayed in the OPPORTUNITY INVESTMENT DATA table typically represent a Planning / Business Case level of detail and <u>are not cost estimates</u>; accordingly, these investment values are not recommended for use in Budgeting or Project commitments without review of scopes and applicability of cost factors.
- 2. As noted above, other significant investments may be required to create the "warm, lit shell" conditions and are excluded from all Tenant Agency perspectives and forecasts.

Opportunity Project Card Definitions OVERVIEW



FY14 Portfolio Review and Recommendations Reports (PR3s) include templates to identify and track details for PROJECTS that comprise an Opportunity

- The Project Table lists all Projects expected to be accomplished as an Opportunity moves from Baseline to Target state
- Each Project Card tracks details about scopes, costs, benefits, and actual Outcomes
- Opportunity and Project Card fields share definitions

Project Table Template

LOCATION | OPP NAME Project Name | Project | Region | Description | Start | Complete | Phisse | Phiss

Project Card Template



Opportunity and Project Card Definitions Agency Break Even calculations



Selecting appropriate method for Break Even Year Calculation:

Use Formula 1 if:

Target Annual Rent w/TI IS LESS THAN The Baseline Annual Rent w/TI (it is possible to break even during the amortization period)

If y ends up being > the # of years amortized, use Formula #2 to determine the Break Even Year.

Use Formula 2 if:

Target Annual Rent w/TI IS GREATER THAN The Baseline Annual Rent w/Tis (break even will exceed the TI amortization period)

Formula 1 (capturing costs during the years with TI):

Break Even Year = Agency Upfront Costs

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

Formula 2 (capturing costs after TI drops off):

Break Even Year = Annual TI Payment in Rent * # of years TI is amortized + Agency Upfront Costs

(Baseline Rent w/o TI - Target Rent w/o TI)

Opportunity and Project Card Definitions Agency Break Even calculations



Calculate ANNUAL RENT (w/TI)

Step 1: Establish the Opportunity's total Annual Rent w/o TI

For projects in owned space, there is no PBS fee.

For projects in leased space, assume a PBS fee of 7% that is applied to the entire rent.

In some leases, the space may have a non-cancelable OA (not as common). If those instances are known, the PBS fee is 5%.

Step 2: Calculate the Additional Rent (Annual TI amortization) and add it to the Annual Rent w/o TI

Annual TI Payment in Rent calculation in Excel:

=PMT(TI Amortization Rate, Amortization Term in Months, Build Out (TI))*12

Example: Convert \$16,502,881 in TI to additional Annual Rent

Formula: =PMT(0.02835/12, 60, 16502881)*12

VARIABLES:

TI Amortization Rate - for any project in federal space or funded by the Consolidation Fund (owned or leased), assume an amortization rate of 2.835%. For any other leased project (i.e. TI funded by the lessor), assume an amortization rate of 5.835%.

Amortization Term in Months - Default repayment term is 5 years or 60 months (unless otherwise specified)

Build Out (TI) - The total TI cost to be amortized (unless otherwise specified)

Notes:

- The Annual TI Payment in Rent will come out of the calculation as a negative number. Make it a positive number and round to the nearest whole dollar
- Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to show these costs in Build Out (TI) section.

Opportunity and Project Card Definitions Agency Break Even calculation derivations



EXAMPLE calculations derivations

Formula 1 (capturing costs during the years with TI):

Break Even Year =

Agency Upfront Costs

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

y = Break Even Year

Old Cost = Baseline Annual Rent w/TI * v

New Cost = Target Annual Rent w/TI * y + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

Baseline Annual Rent w/ TI * y = Target Annual Rent w/ TI * y + Upfront Tenant Costs

Rearranging:

Baseline Annual Rent w/ TI * y - Target Annual Rent w/ TI * y = Upfront Tenant Costs

Solving for y:

y = <u>Upfront Tenant Costs</u>

(Baseline Annual Rent w/TI – Target Annual Rent w/TI)

Formula 2 (capturing costs after TI drops off):

Break Even Year =

Annual TI Payment in Rent * # of years TI is amortized + Agency Upfront Costs

(Baseline Rent w/o TI – Target Rent w/o TI)

y= Break Even Year

Old Cost = Baseline Rent w/o TI * v

New Cost = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

Baseline Rent w/o TI * y = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Rearranging:

Baseline Rent w/o TI * y - Target Rent w/o TI * y= Annual TI amount * # of years amortized + Upfront Tenant Costs

Solving for y:

y = Annual TI amount * # of years amortized + Upfront Tenant Costs

(Baseline Rent w/o TI - Target Rent w/o TI)

Opportunity and Project Card Definitions Agency Break Even misc.



Other Definitions and Limiting Conditions

Savings Achieved to Date

This is the sum of the Outcome Report Savings from any projects that have completed Outcome Reports.

Build Out (TI)

Enter the Total TI for the Opportunity

Build Out (Core and Shell) WILL NOT be included in the Annual Rent w/TI field

Build Out (Shell)

Enter the shell costs for the Opportunity

Assume GSA will be paying the upfront costs for any project in federal space or funded by the Consolidation Fund Note: Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to include and display these costs in Build Out (TI) fields.

Furniture and IT

Do NOT include amortization of these investments as additional Annual Rent

Assume no fees or interest rates unless otherwise specified. Consult with the Program Team re: any current fees if TW/FIT is being used.